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ABSTRACT

This report provides statistical data on the accreditation actions taken during fiscal years 1985 to 1989 by seven agencies that accredit for-profit or proprietary schools that may participate in the Stafford Student Loan Program. The seven agencies are: Accrediting Bureau of Health Education Schools; Accrediting Council for Continuing Education and Training; Association of Independent Colleges and Schools; National Accrediting Commission of Cosmetology Arts and Sciences; National Association of Trade and Technical Schools; National Home Study Council; and Southern Association of Colleges and Schools' Commission on Occupational Education Institutions. For each agency, the report explains the number of proprietary schools that: were currently accredited; voluntarily withdrew their applications for accreditation but were accredited by another agency; were newly accredited, reaccredited, or terminated; had their first requests for accreditation accepted, deferred, or denied; did not reapply for accreditation once their accreditation period expired; and were accredited without an on-site visit by the agency. From a review of subpoenaed data submitted by the agencies, it is concluded that the seven agencies currently accredit 5,585 proprietary schools and their branches. During the past 5 years, the seven agencies terminated accreditation for 315 proprietary schools and reaccredited 2,330 schools. Summary observations are provided for each agency. A list of nine related General Accounting Office products concludes the report. (JDD)

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United States General Accounting Office

GAO

Briefing Report to the Chairman, Permanent Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate

September 1990

SCHOOL ACCREDITATION

Activities of Seven Agencies That Accredit Proprietary Schools

U.S. DEPARTMENT OF EDUCATION

GAO/HRD-90-170BR

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-241086

September 12, 1990

The Honorable Sam Nunn
Chairman, Permanent Subcommittee
on Investigations
Committee on Governmental Affairs
United States Senate

This report responds to your request for information on the activities of agencies that accredit for-profit or proprietary schools that may participate in the Stafford Student Loan Program.[1] Specifically, we agreed to provide statistical data on the accreditation actions taken during fiscal years 1985 to 1989 by seven accrediting agencies. The agencies are:

- Accrediting Bureau of Health Education Schools (ABHES),
- Accrediting Council for Continuing Education and Training (ACCET),
- Association of Independent Colleges and Schools (AICS),
- National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS),
- National Association of Trade and Technical Schools (NATTS),
- National Home Study Council (NHSC), and
- Southern Association of Colleges and Schools' Commission on Occupational Education Institutions (SACS/COEI).

These agencies reported that they currently accredit over 5,500 proprietary schools in the U.S. and abroad.[2]

On September 6, 1990, we briefed your offices on the preliminary results of our analysis. This report summarizes the information we provided. The results of our analysis are provided in appendix I.

Background

Accrediting agencies are an integral part of a three-step approval process that postsecondary institutions must undergo before their students can receive federal grants and loans. The Higher Education Act requires that each postsecondary institution with students participating in the Stafford Loan Program be

[1]This program includes Stafford loans, Supplemental Loans for Students, and Parent Loans for Undergraduate Students.

[2]Includes vocational schools and branch campuses. A branch is a separate instructional facility that is administered from the main campus and that offers complete educational programs. Branch school programs are sometimes unrelated to those offered by the main campus.

- licensed to provide postsecondary education by the state in which it is located,
- accredited by an agency recognized by the Secretary of Education, and
- certified by the Department of Education as financially sound and capable of providing postsecondary programs.

Accreditation is a system for recognizing educational institutions and professional programs that meet a specific level of performance, integrity, and quality. This process is conducted primarily through nongovernmental, voluntary associations called accrediting agencies. These agencies establish criteria for accreditation, evaluate institutions and professional programs desiring accredited status, and approve those that meet the agencies' criteria.

Scope and Methodology

As agreed with your office, we reviewed information subpoenaed by the Senate Permanent Subcommittee on Investigations from the seven accrediting agencies. For each agency, we determined as of May 1990 the number of proprietary schools currently accredited and of those, the number also accredited by one or more agencies. Also as of May 1990, we determined the number of schools that the agencies told us had voluntarily withdrawn their applications for accreditation but were accredited by another agency.

In addition, we determined for the 5-year period ending in 1989, the number of schools (1) newly accredited, reaccredited, or terminated; (2) whose first requests for accreditation were accepted, deferred, or denied; (3) that did not reapply for accreditation once their accreditation period expired; and (4) accredited without an on-site visit by the agency.[3]

We summarized the results of our review by accrediting agency and asked each agency to verify the information.

What We Found

Based on initial applications for accreditation, the seven agencies accredited 1,880 schools and denied 281 accreditation during the 5-year period. Six of the seven agencies deferred 437 schools for consideration; these schools subsequently may have been accredited or rejected after being reviewed again by the agencies. (See table 1.)

[3]ACCET, NACCAS, NATTS, and SACS/COEI provided some of this information for calendar years as opposed to fiscal years.

Table 1: Proprietary Schools That Applied for Accreditation
(1985-89)

Agency	Schools initially Accredited	Deferred	Denied
ABHES	100	12	1
ACCET	252	63	28
AICS	149	•	120
NACCAS	619	112	46
NATTS	641	157	70
NHSC	25	11	10
SACS/COEI	94	82	6
Total	**1,880**	**437**	**281**

As shown in table 2, NACCAS and NATTS reaccredited the largest number of schools. The seven agencies terminated the accreditation of 315 proprietary schools during this 5-year period. Schools accredited by NACCAS accounted for over 30 percent of this total. Over 200 schools accredited by NACCAS and NATTS did not reapply for accreditation once it expired.

Table 2: Selected Agency Actions
(1985-89)

Agency	Number of schools Reaccredited	Terminated
ABHES	82	18
ACCET	141	46
AICS	413	55
NACCAS	1,069	99
NATTS	482	69
NHSC	26	9
SACS/COEI	117	19
Total	**2,330**	**315**

ACCET stated that before May 1990 its accreditation of main campuses—which are all subject to on-site agency visits—also covered branch campuses. Therefore, during the 5-year period, 65 branch campuses were accredited without site visits. As of May 1990, ACCET began conducting site visits to branch campuses as a condition of accreditation. ABHES, NHSC, and SACS/COEI reported that none of their schools were accredited without a site visit. AICS, NACCAS, and NATTS cited their policies requiring on-site visits to schools but did not provide information on the number of schools accredited without a visit. Appendix I contains additional statistics on each agency, including the number of schools that voluntarily withdrew their applications for accreditation and were accredited by

another agency, and the number of schools that did not reapply for accreditation once it expired.

We discussed the contents of the report with representatives of the accrediting agencies and incorporated their comments where appropriate.

We are sending copies of this briefing report to the Secretary of Education, appropriate congressional committees, and other interested parties. Please call me on (202) 275-1793 if you or your staff have any questions about this report. Other major contributors to this report are listed in appendix II.

Sincerely yours,

Franklin Frazier

Franklin Frazier
Director, Education and
Employment Issues

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Abbreviations

ABHES	Accrediting Bureau of Health Education Schools
ACCET	Accrediting Council for Continuing Education and Training
AICS	Association of Independent Colleges and Schools
NACCAS	National Accrediting Commission of Cosmetology Arts and Sciences
NATTS	National Association of Trade and Technical Schools
NHSC	National Home Study Council
SACS/COEI	Southern Association of Colleges and Schools' Commission on Occupational Educational Institutions

School Accreditation: Information on Seven Agencies That Accredit Proprietary Schools

Figure I.1:

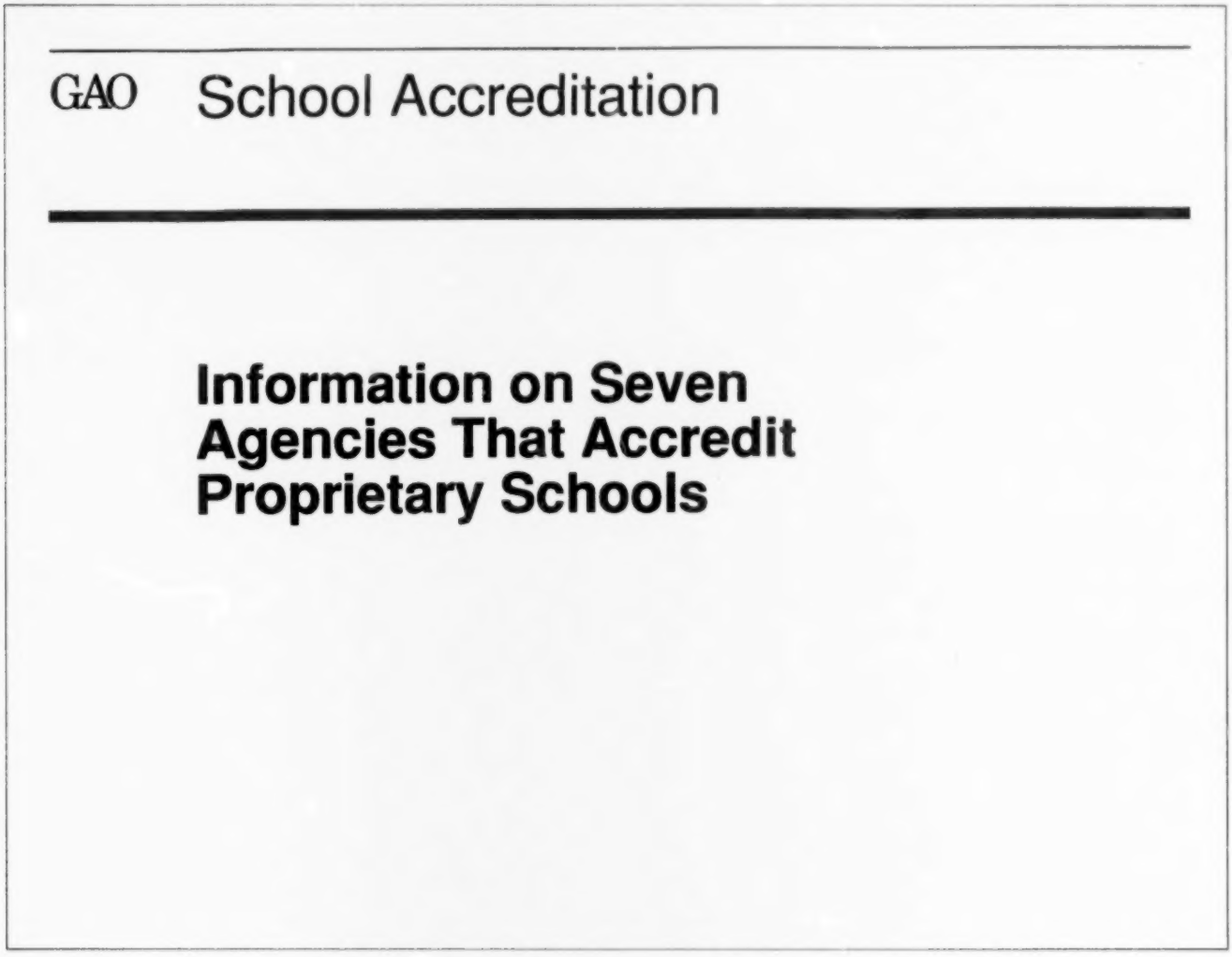


Figure I.2:

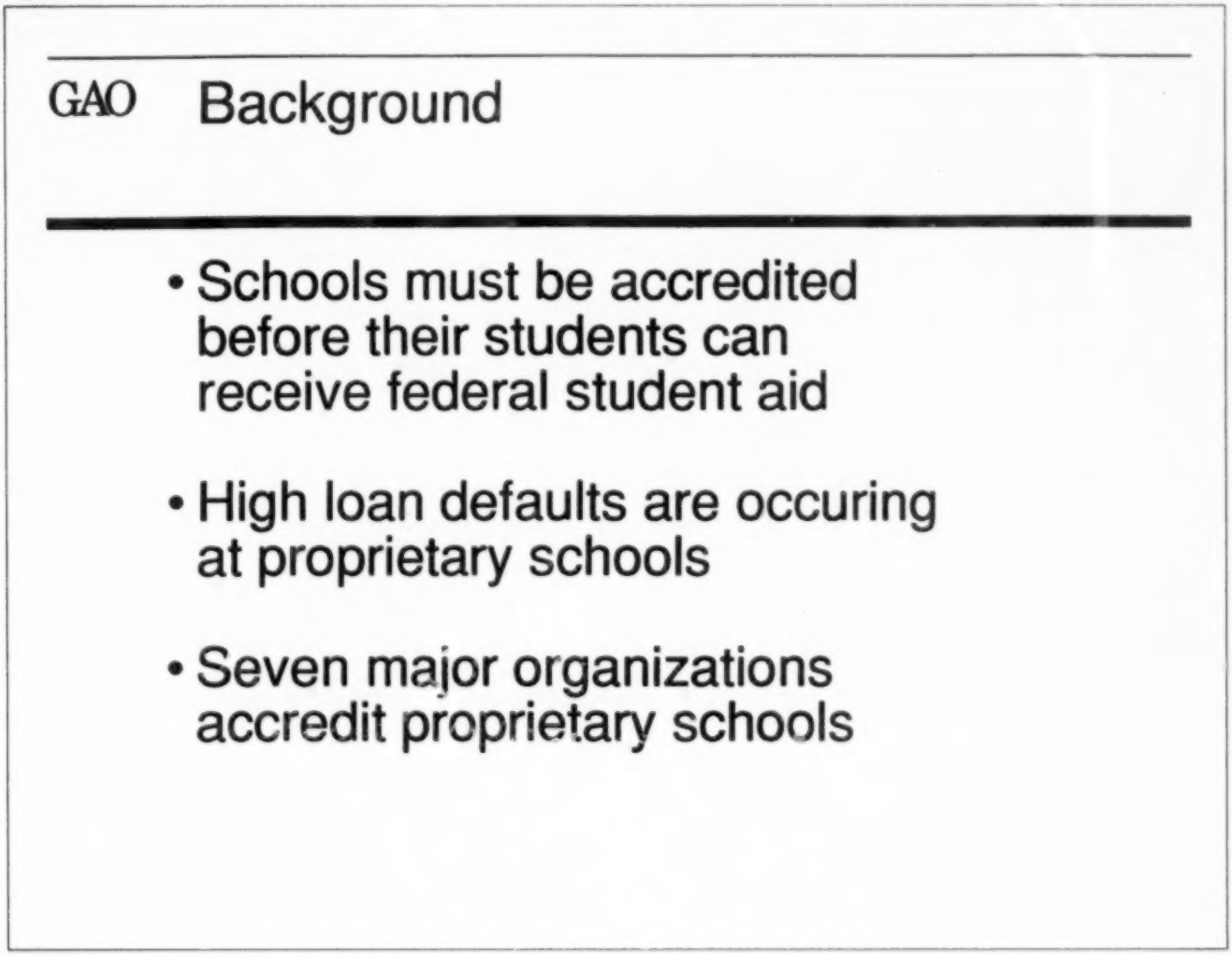

GAO
Background
• Schools must be accredited before their students can receive federal student aid
• High loan defaults are occuring at proprietary schools
• Seven major organizations accredit proprietary schools

Figure I.3:

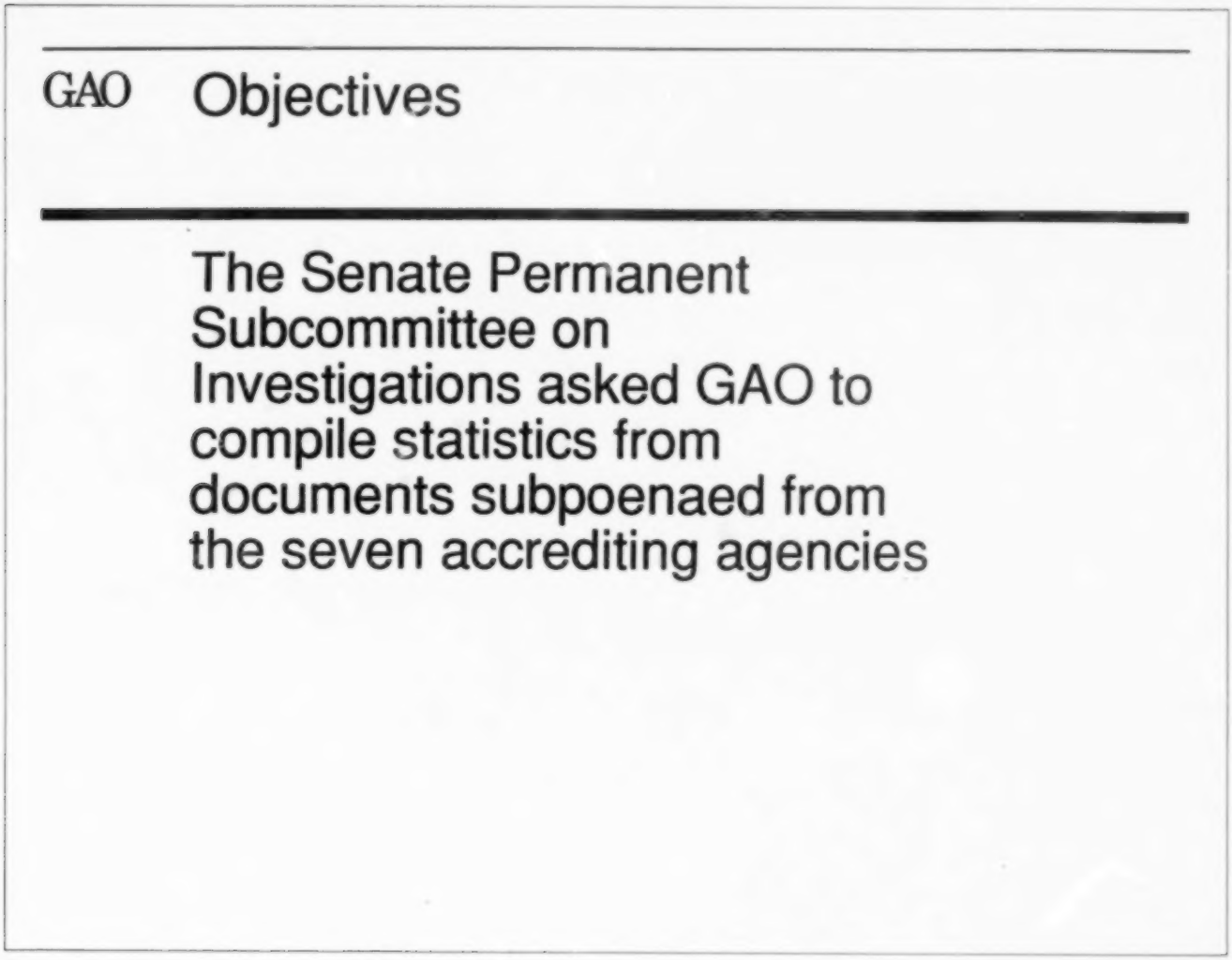

GAO Objectives
The Senate Permanent Subcommittee on Investigations asked GAO to compile statistics from documents subpoenaed from the seven accrediting agencies

Figure I.4:

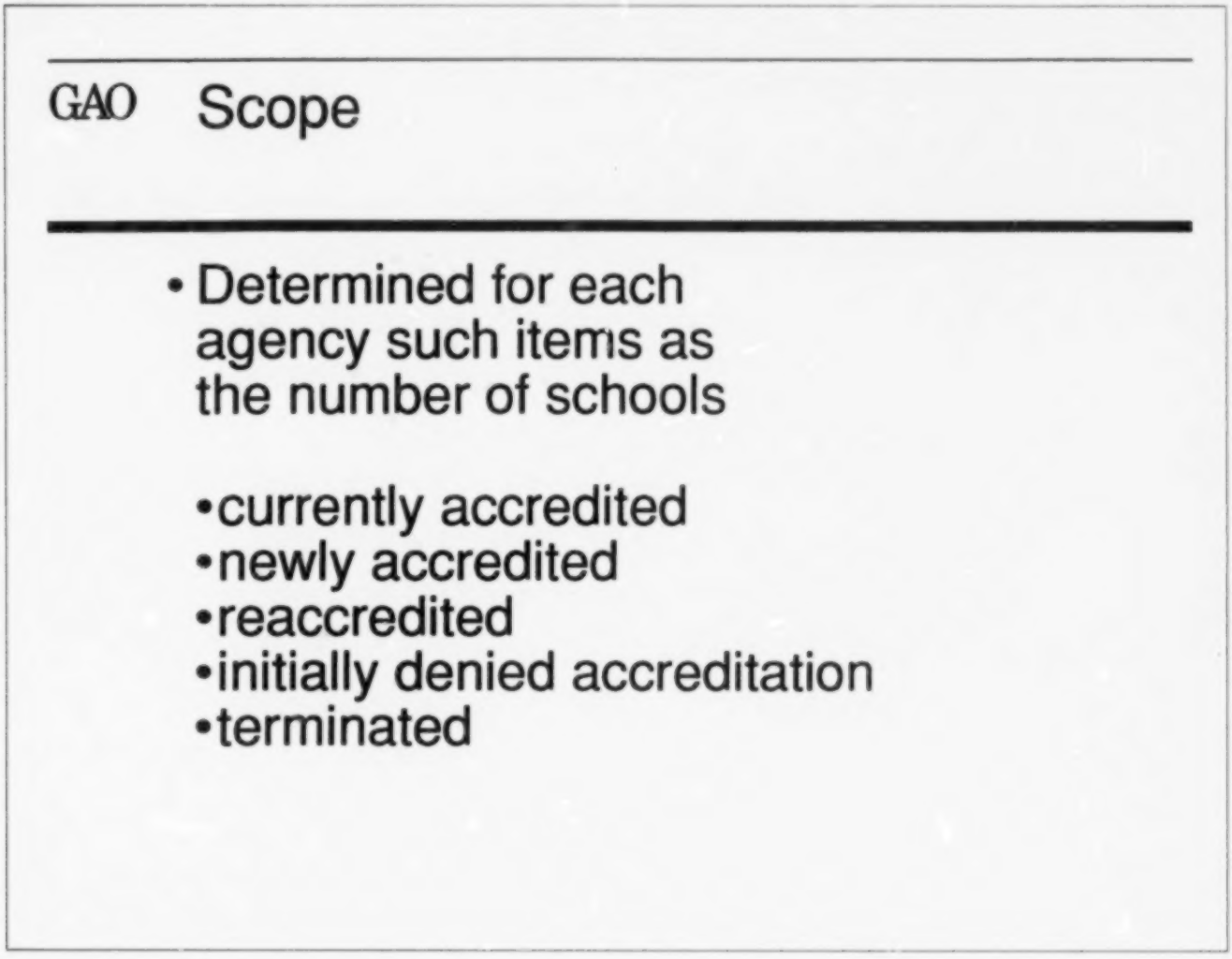

GAO
Scope
• Determined for each agency such items as the number of schools
•currently accredited
•newly accredited
•reaccredited
•initially denied accreditation
•terminated

Figure I.5:

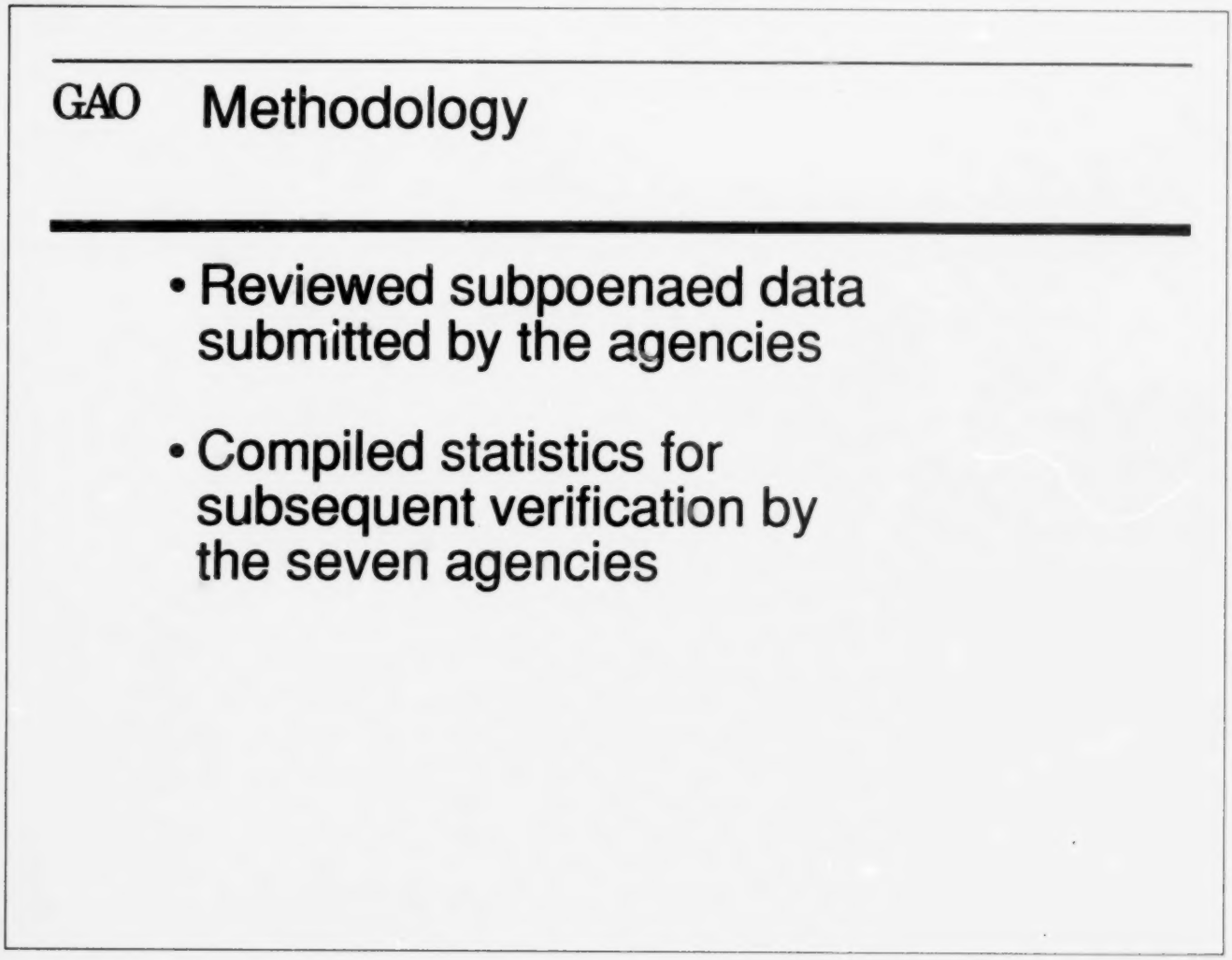

GAO Methodology
• Reviewed subpoenaed data submitted by the agencies
• Compiled statistics for subsequent verification by the seven agencies

Figure I.6:

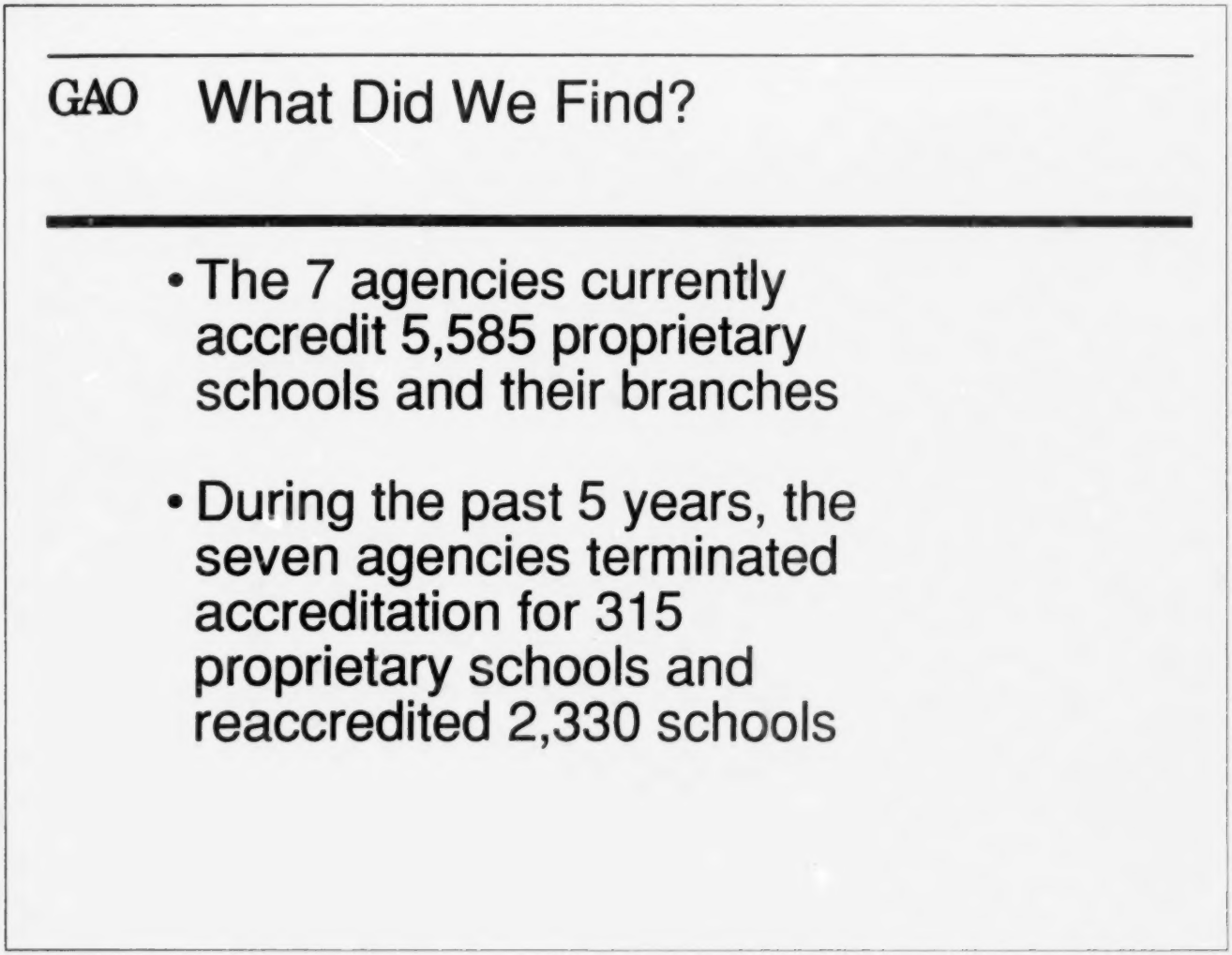

GAO What Did We Find?
• The 7 agencies currently accredit 5,585 proprietary schools and their branches
• During the past 5 years, the seven agencies terminated accreditation for 315 proprietary schools and reaccredited 2,330 schools

Figure I.7:

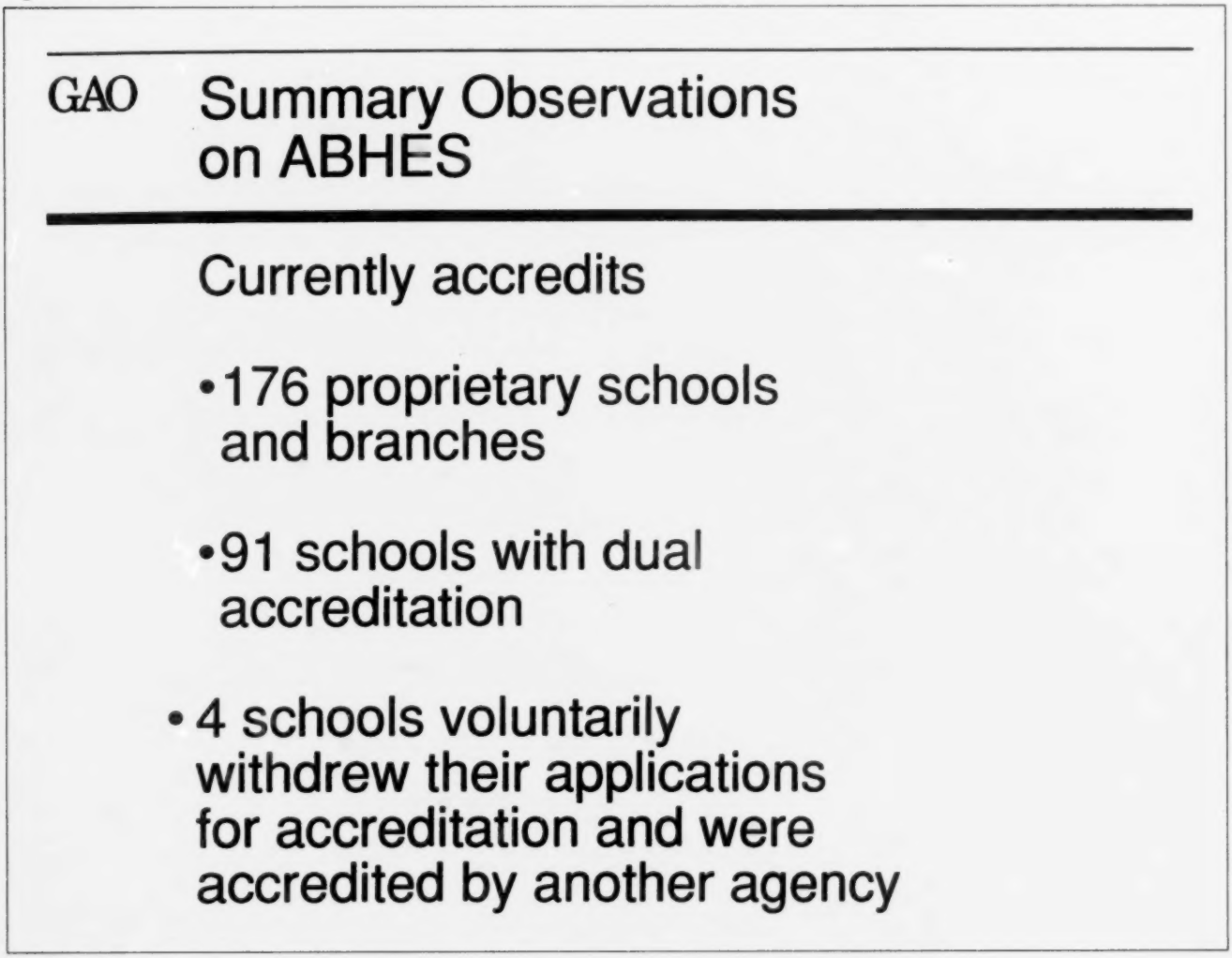

GAO
Summary Observations on ABHES
Currently accredits
•176 proprietary schools and branches
•91 schools with dual accreditation
• 4 schools voluntarily withdrew their applications for accreditation and were accredited by another agency

Figure I.7 Continued:

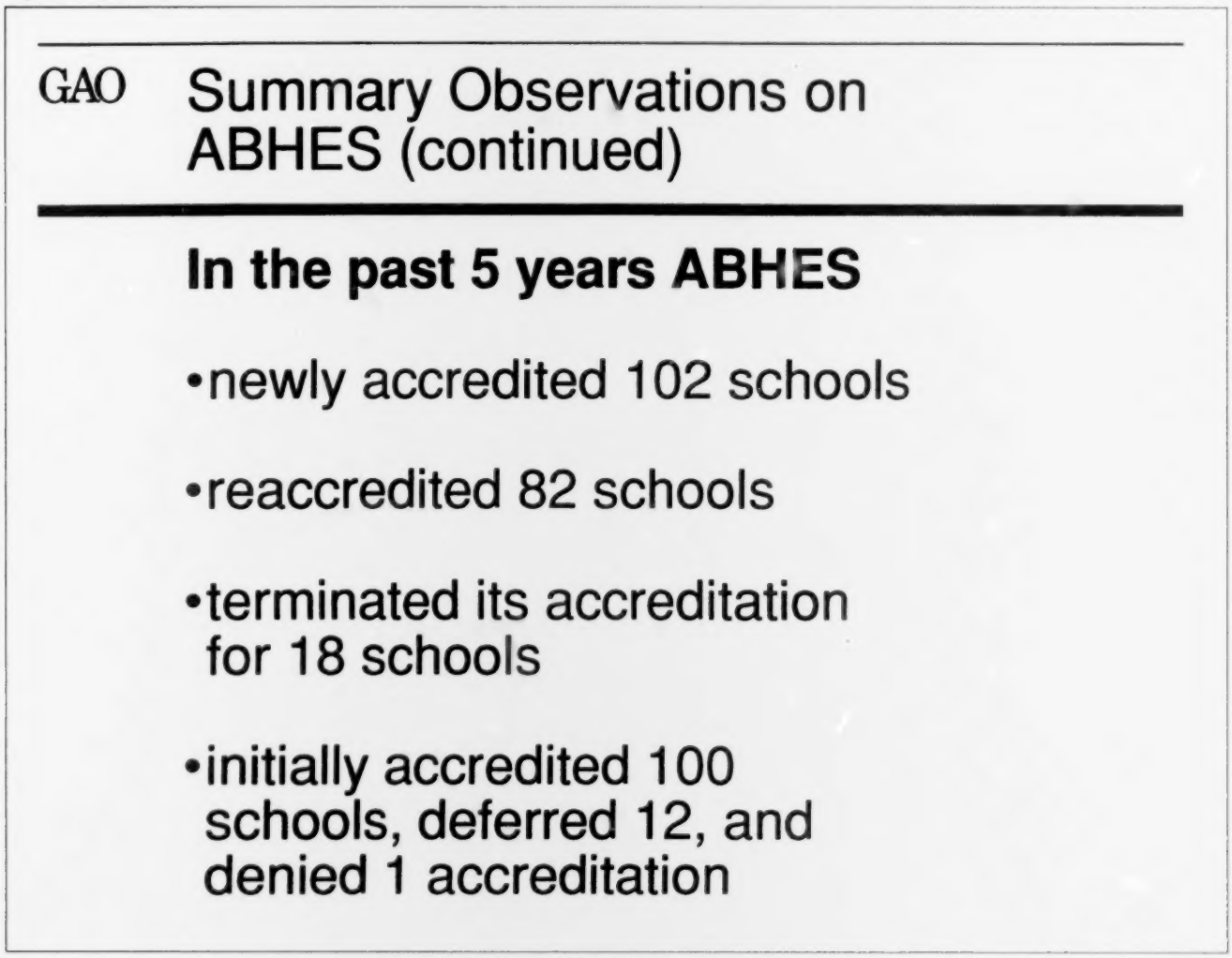

GAO
Summary Observations on ABHES (continued)
In the past 5 years ABHES
•newly accredited 102 schools
•reaccredited 82 schools
•terminated its accreditation for 18 schools
•initially accredited 100 schools, deferred 12, and denied 1 accreditation

Figure I.7 Continued:

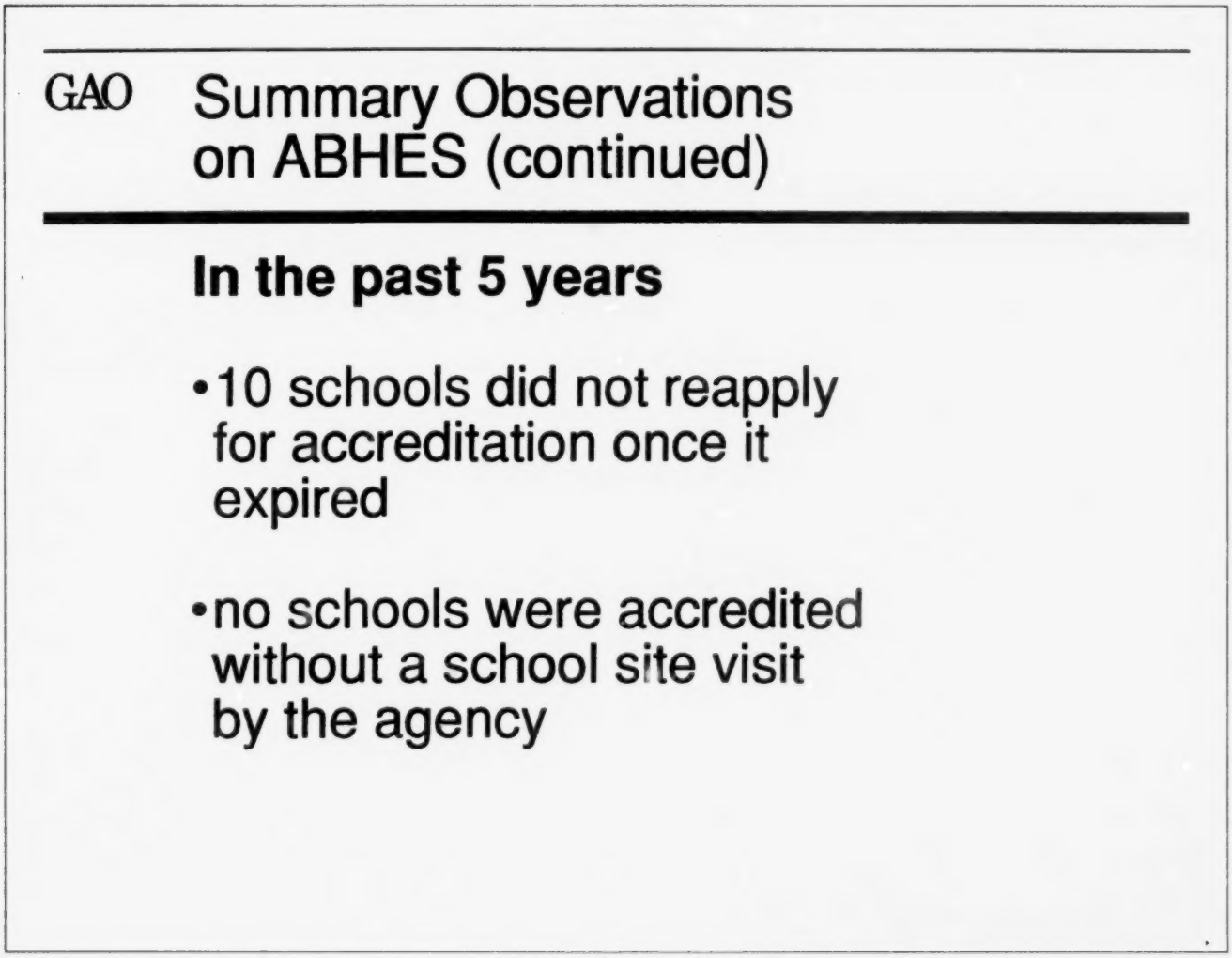

GAO
Summary Observations on ABHES (continued)
In the past 5 years
•10 schools did not reapply for accreditation once it expired
•no schools were accredited without a school site visit by the agency

Figure I.8:

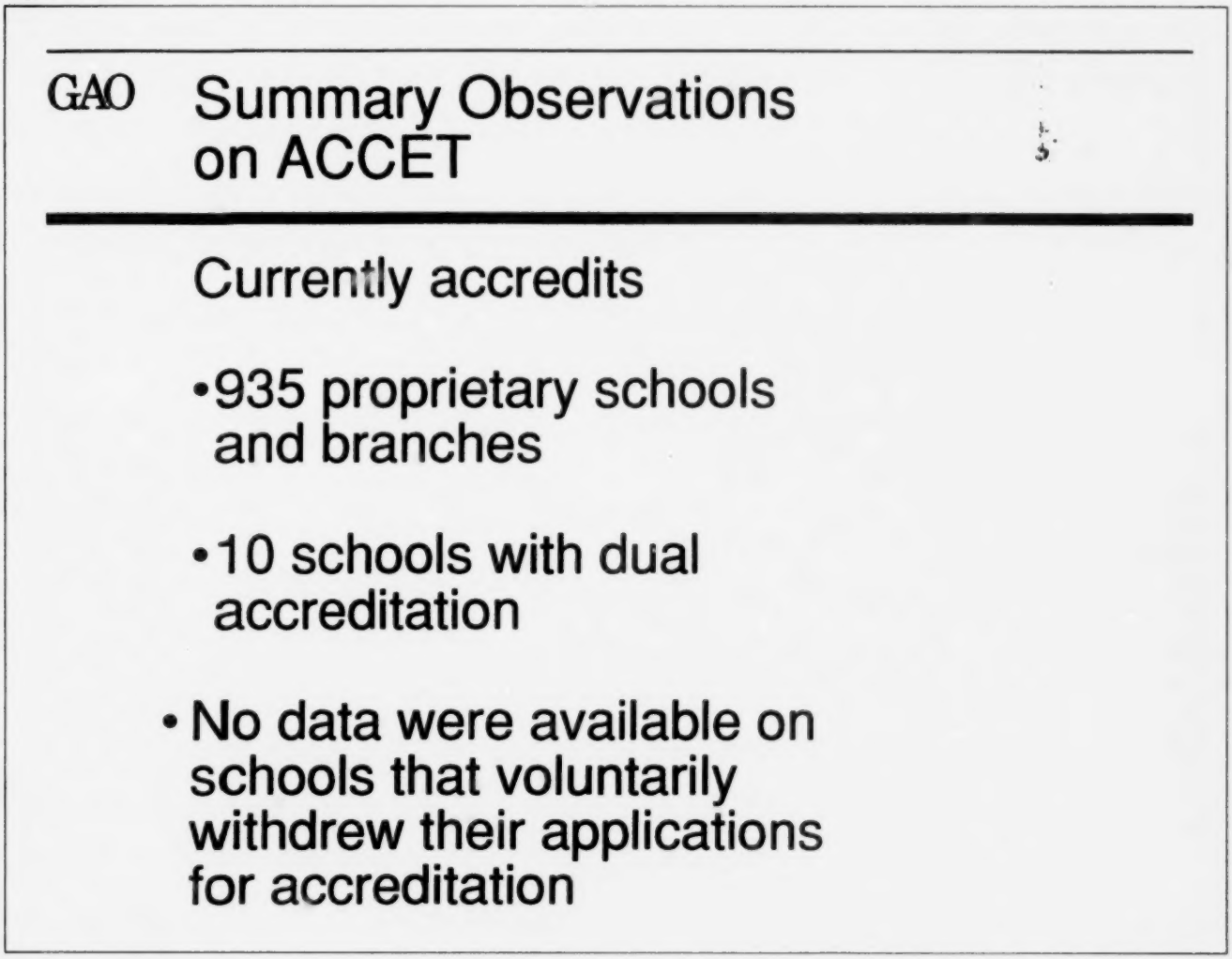

GAO
Summary Observations on ACCET
Currently accredits
•935 proprietary schools and branches
•10 schools with dual accreditation
• No data were available on schools that voluntarily withdrew their applications for accreditation

Figure I.8 Continued:

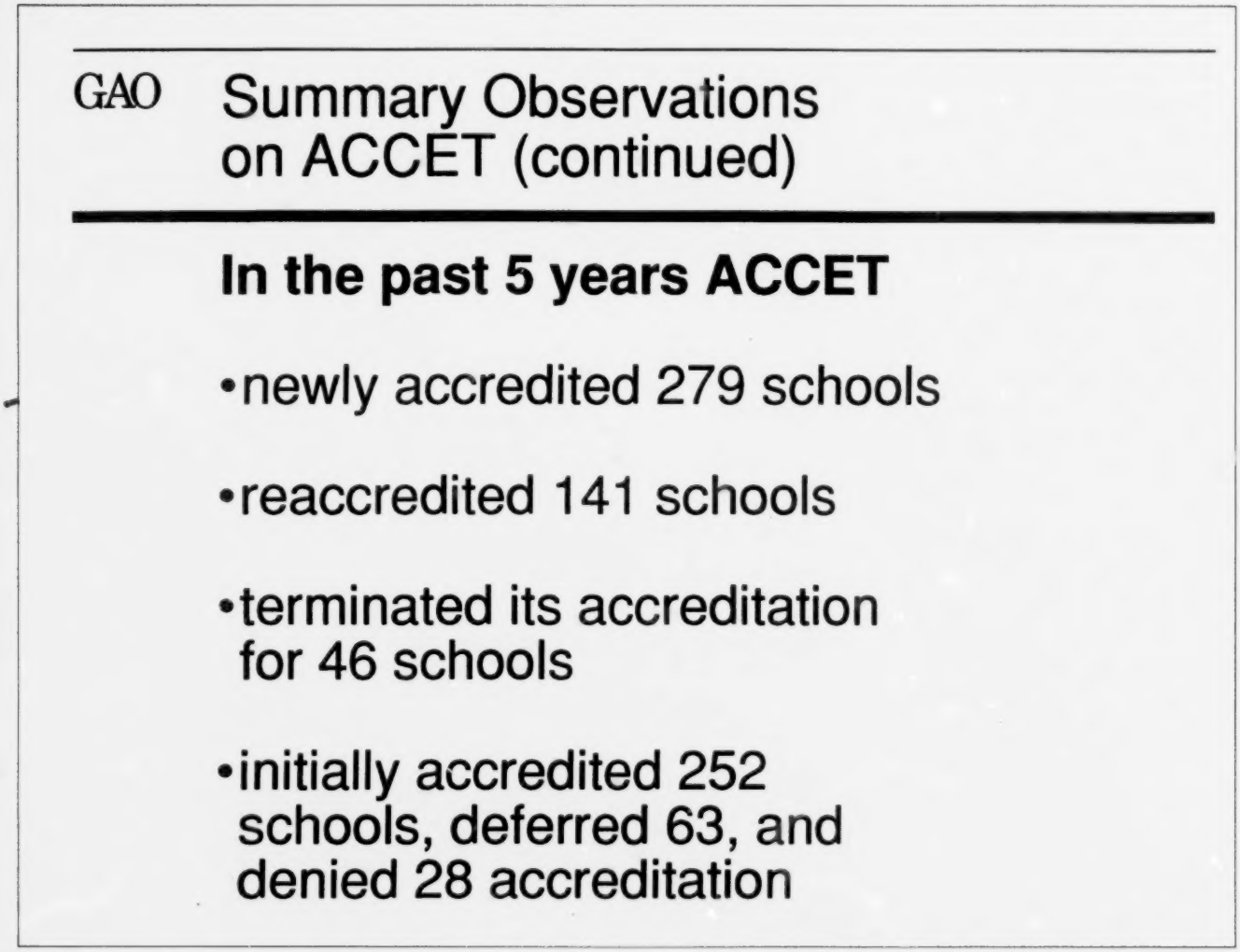

GAO
Summary Observations on ACCET (continued)
In the past 5 years ACCET
•newly accredited 279 schools
•reaccredited 141 schools
•terminated its accreditation for 46 schools
•initially accredited 252 schools, deferred 63, and denied 28 accreditation

Figure I.8 Continued:

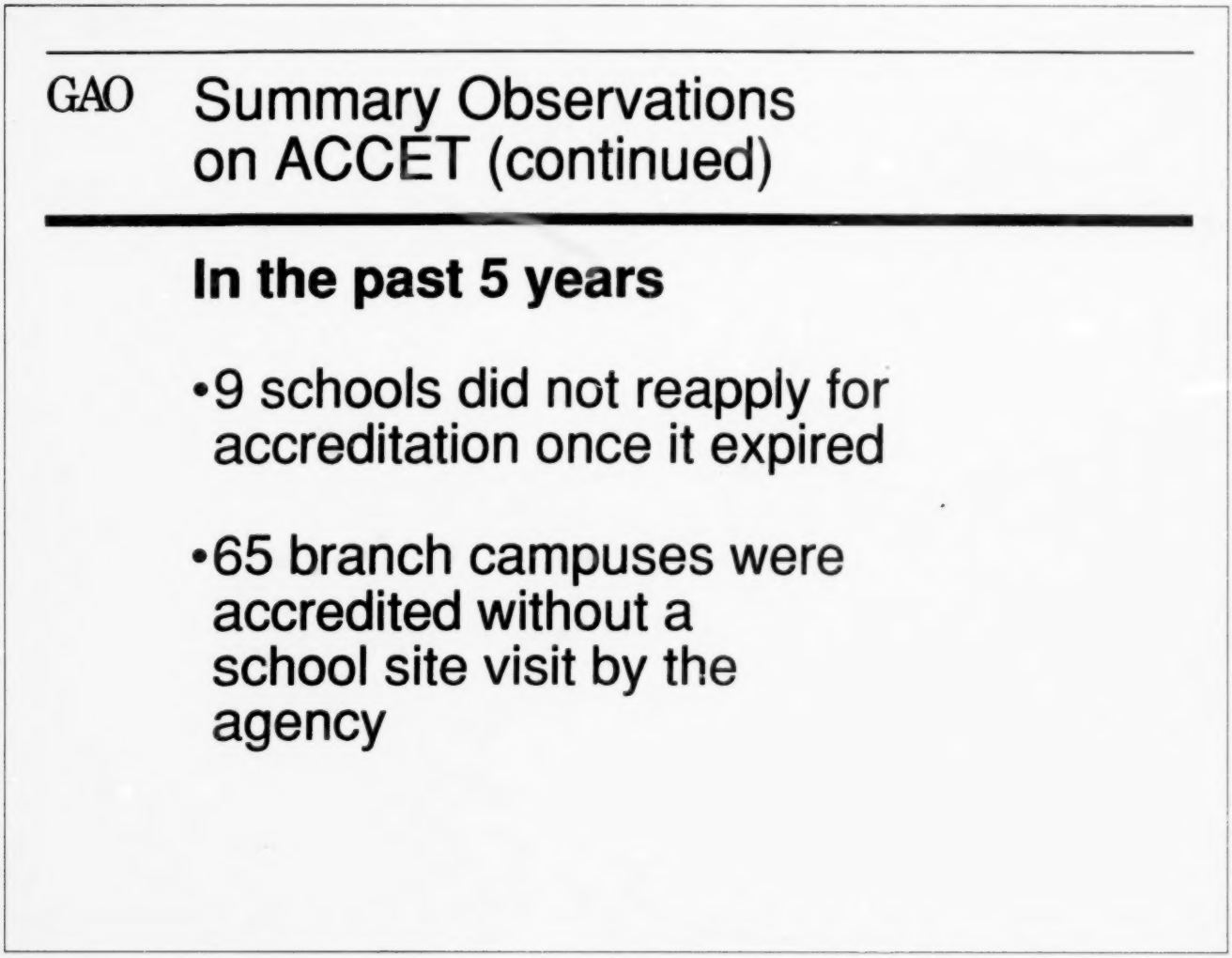

GAO
Summary Observations on ACCET (continued)
In the past 5 years
•9 schools did not reapply for accreditation once it expired
•65 branch campuses were accredited without a school site visit by the agency

Figure I.9:

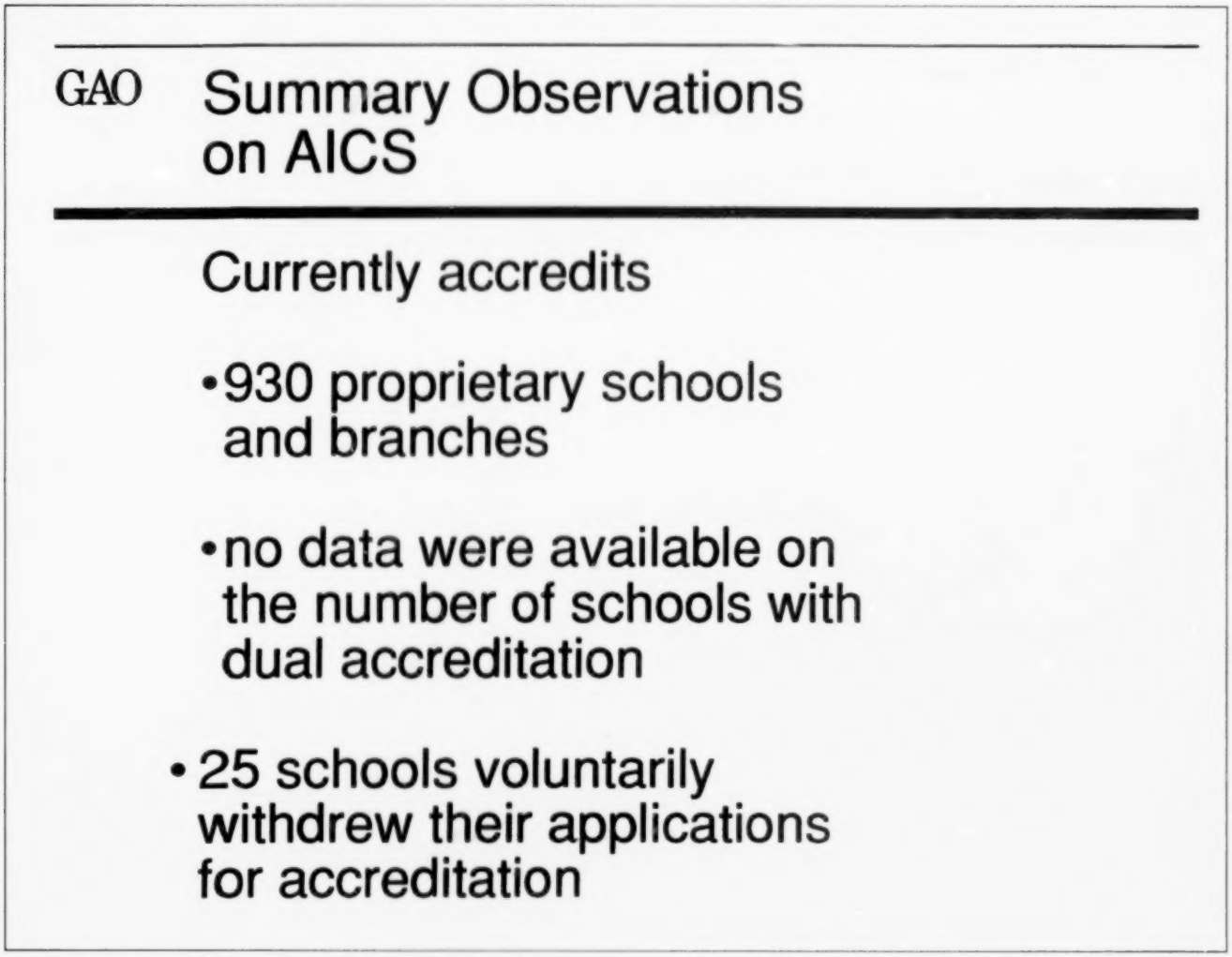

GAO
Summary Observations on AICS
Currently accredits
•930 proprietary schools and branches
•no data were available on the number of schools with dual accreditation
• 25 schools voluntarily withdrew their applications for accreditation

Figure I.9 Continued:

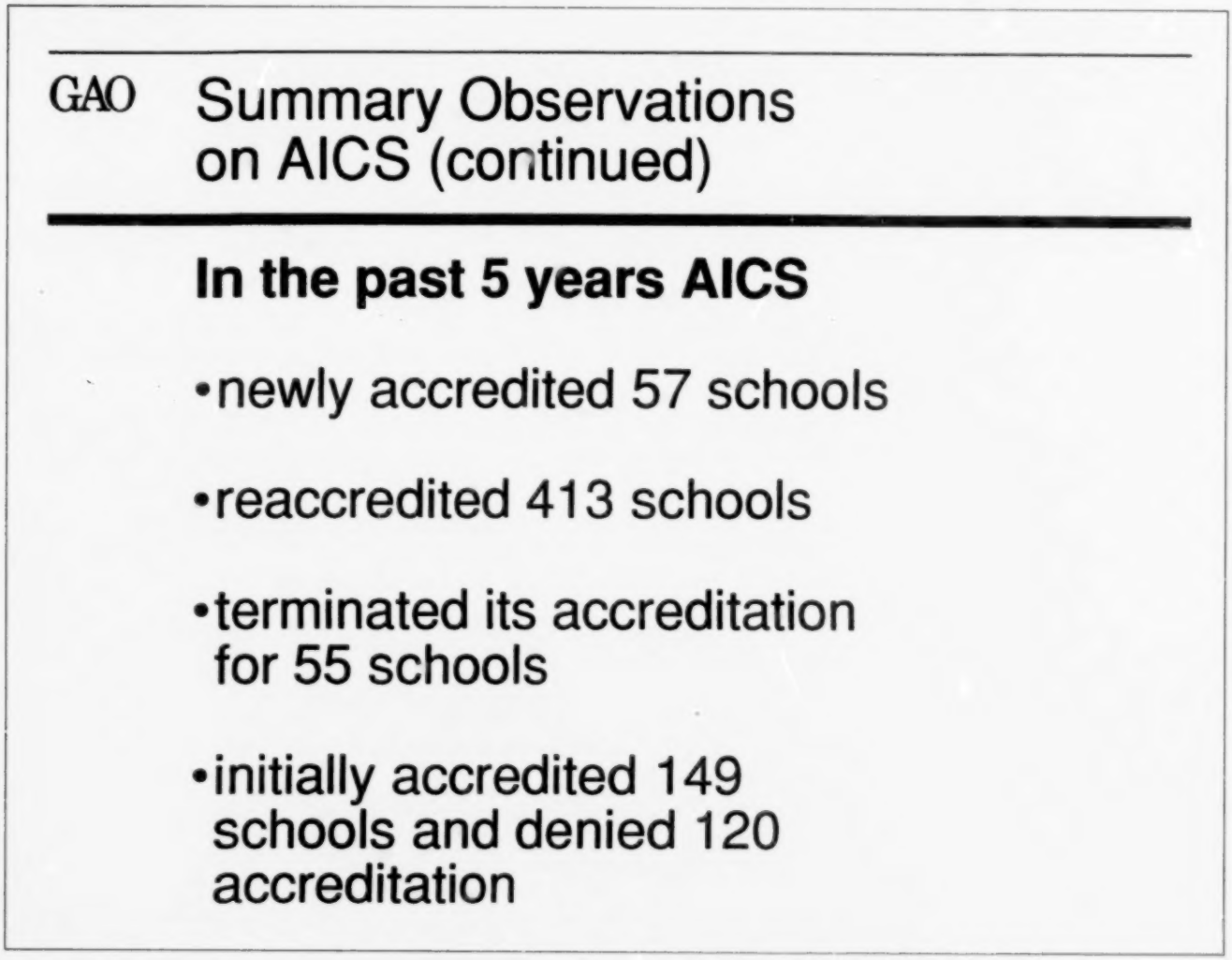

GAO
Summary Observations on AICS (continued)
In the past 5 years AICS
•newly accredited 57 schools
•reaccredited 413 schools
•terminated its accreditation for 55 schools
•initially accredited 149 schools and denied 120 accreditation

Figure I.9 Continued:

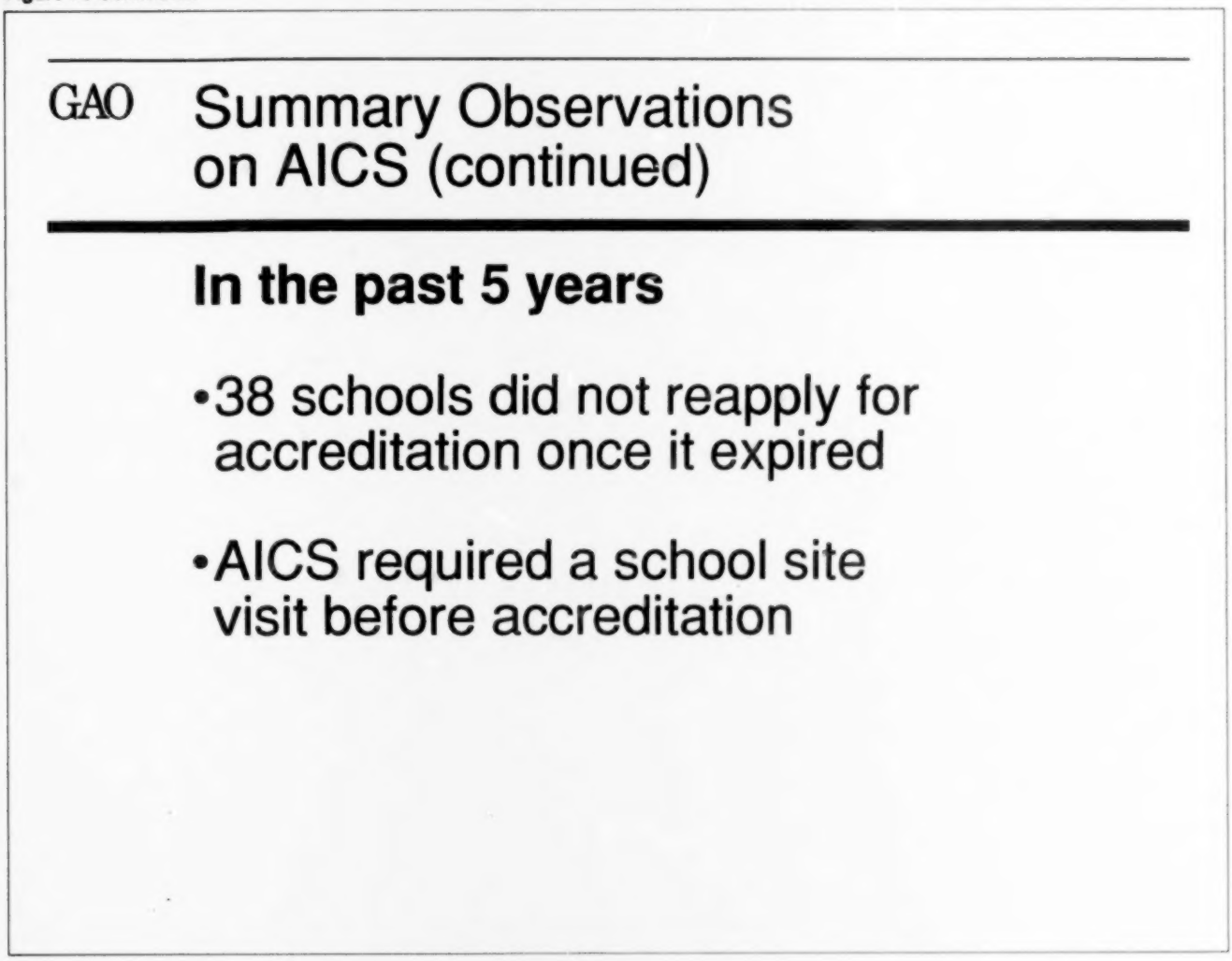

GAO
Summary Observations on AICS (continued)
In the past 5 years
•38 schools did not reapply for accreditation once it expired
•AICS required a school site visit before accreditation

Figure I.10:

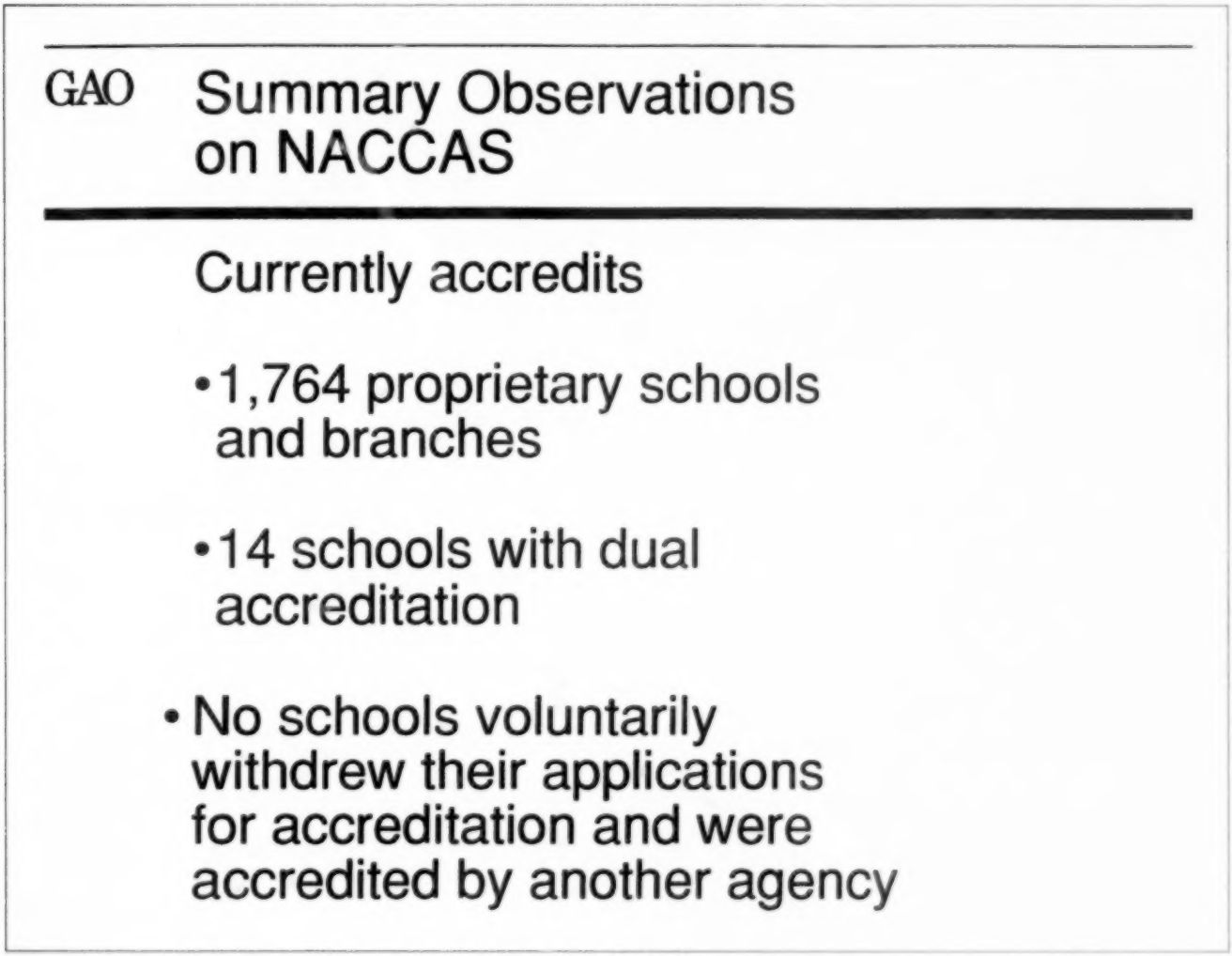

GAO
Summary Observations on NACCAS
Currently accredits
•1,764 proprietary schools and branches
•14 schools with dual accreditation
• No schools voluntarily withdrew their applications for accreditation and were accredited by another agency

Figure I.10 Continued:

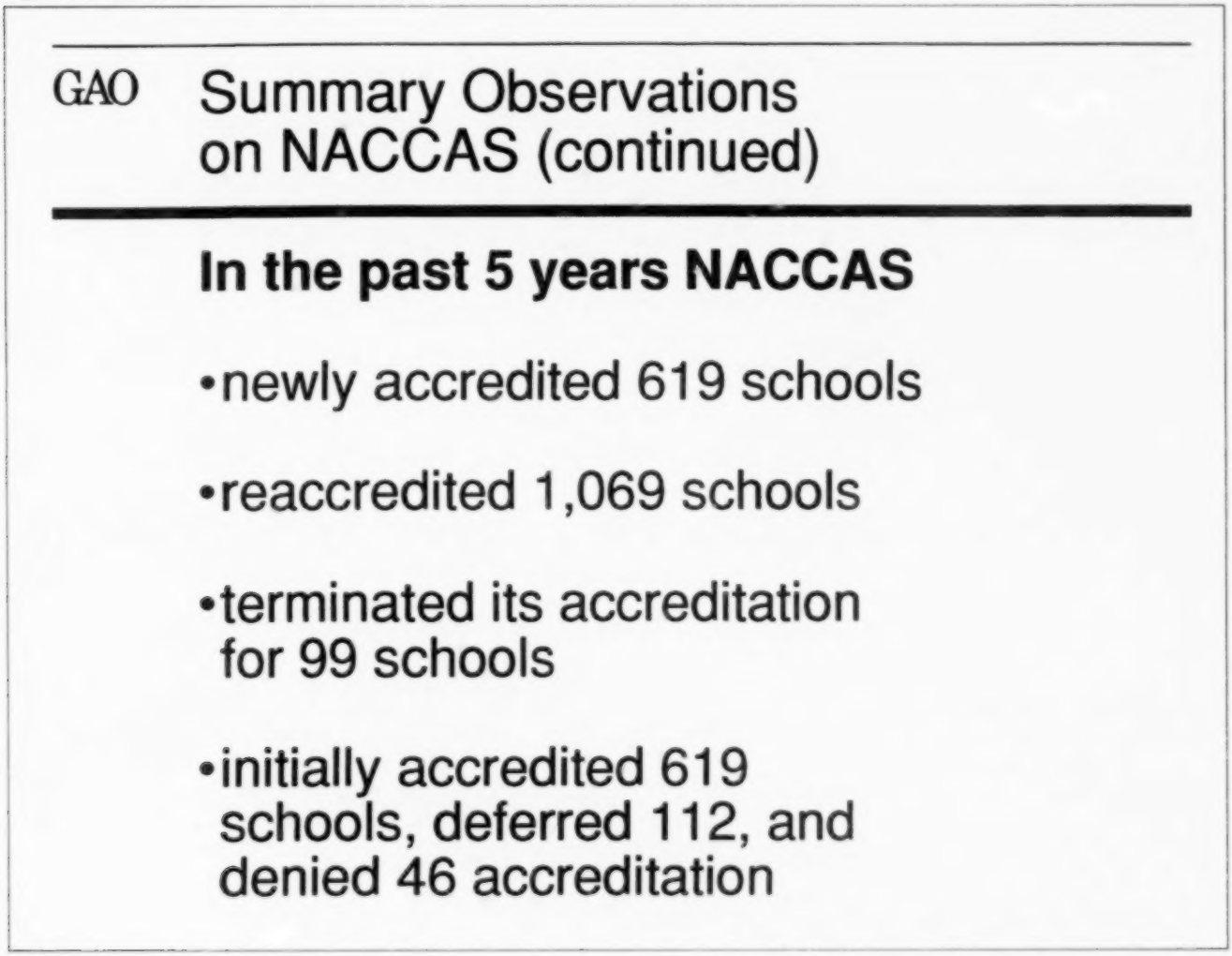

GAO
Summary Observations on NACCAS (continued)
In the past 5 years NACCAS
•newly accredited 619 schools
•reaccredited 1,069 schools
•terminated its accreditation for 99 schools
•initially accredited 619 schools, deferred 112, and denied 46 accreditation

Figure I.10 Continued:

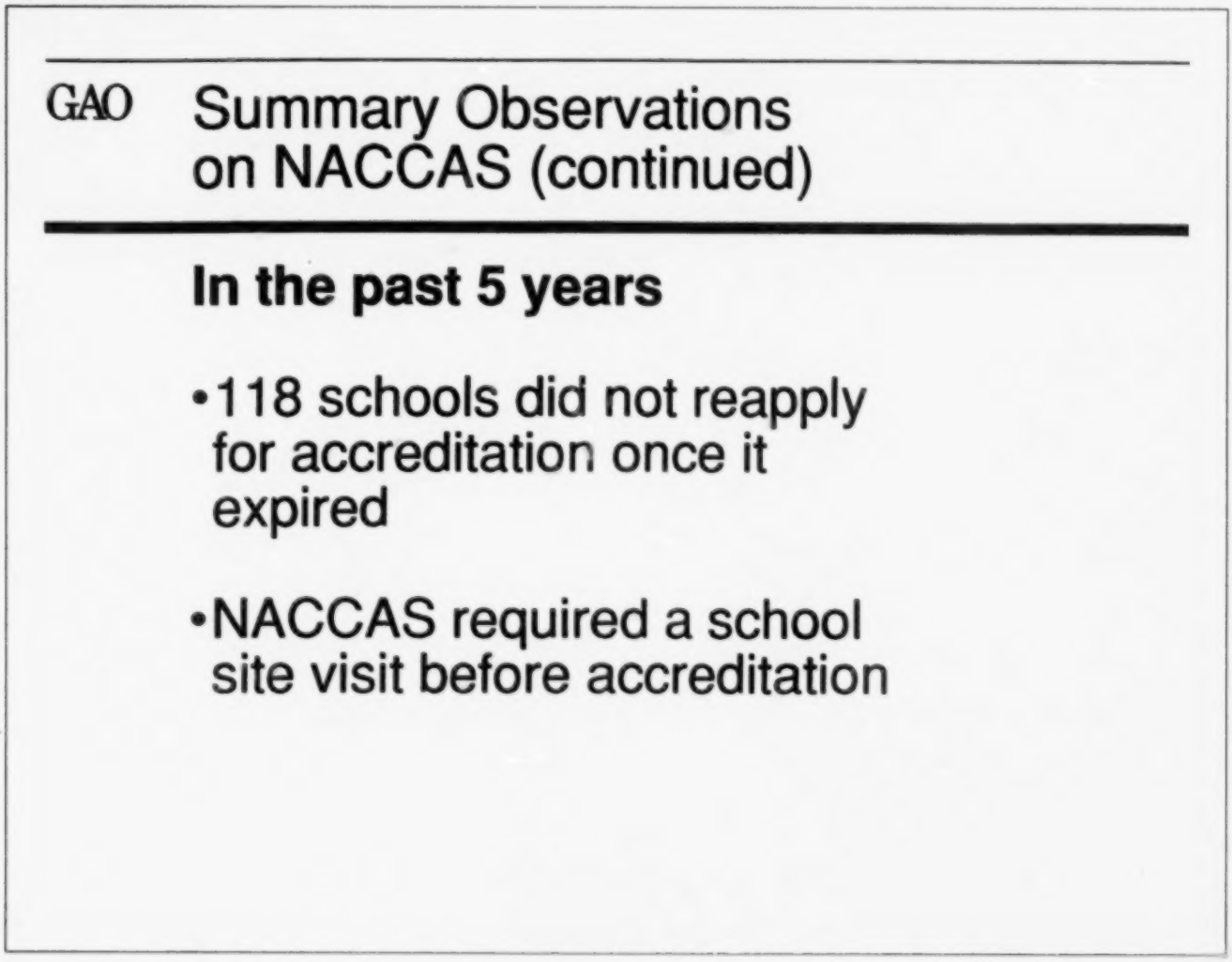

GAO
Summary Observations on NACCAS (continued)
In the past 5 years
•118 schools did not reapply for accreditation once it expired
•NACCAS required a school site visit before accreditation

Figure I.11:

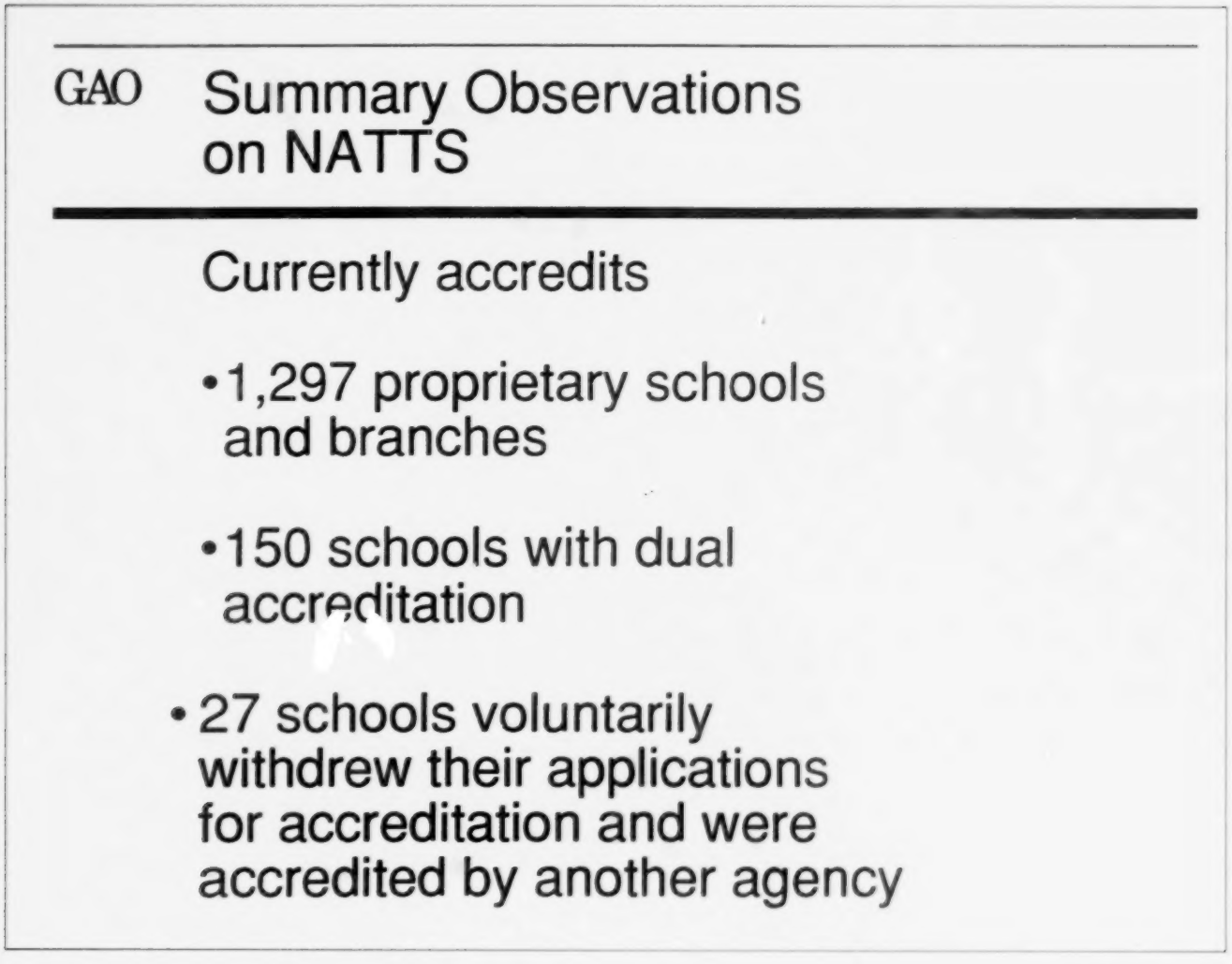

GAO
Summary Observations on NATTS
Currently accredits
•1,297 proprietary schools and branches
•150 schools with dual accreditation
• 27 schools voluntarily withdrew their applications for accreditation and were accredited by another agency

Figure I.11 Continued:

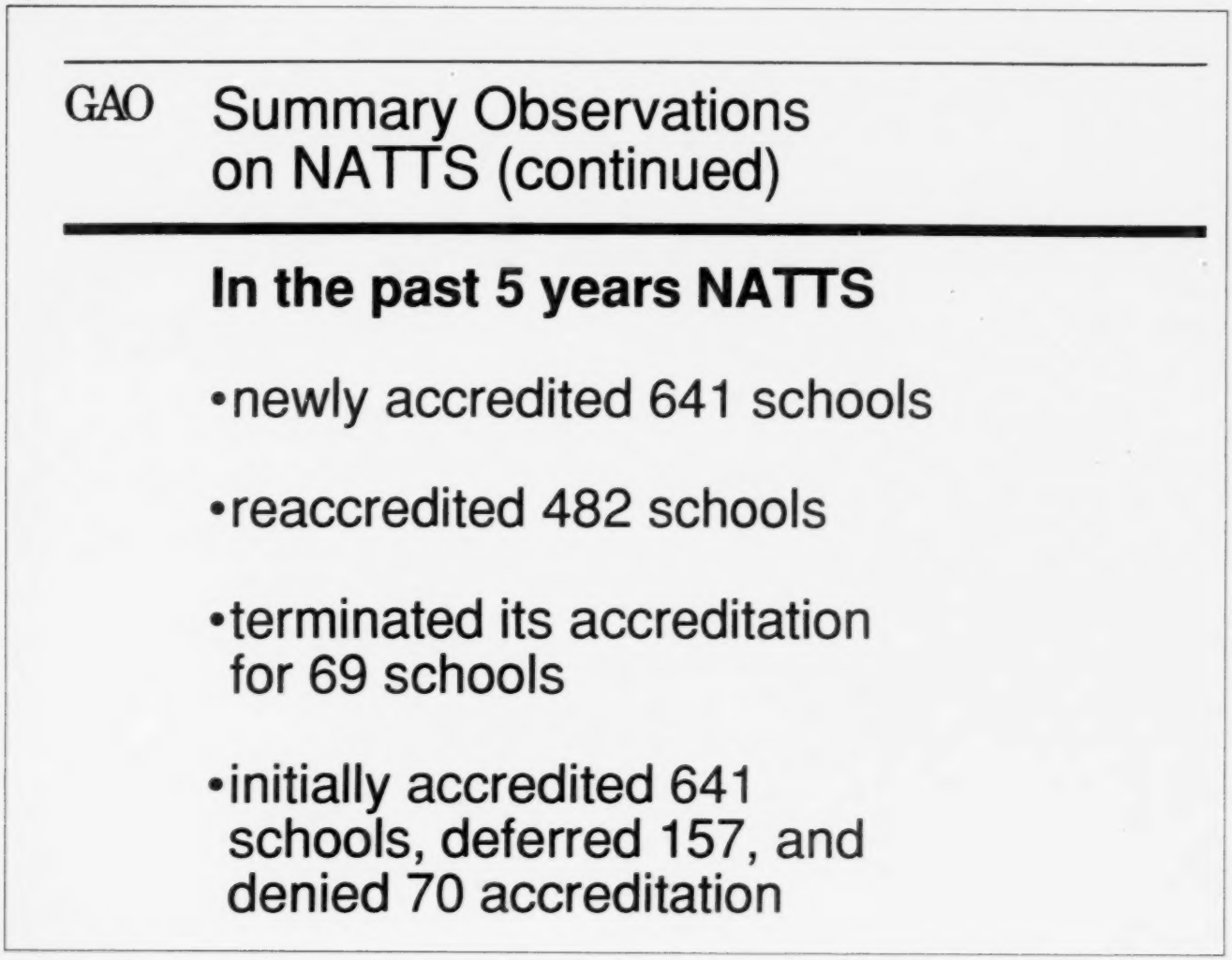

GAO
Summary Observations on NATTS (continued)
In the past 5 years NATTS
•newly accredited 641 schools
•reaccredited 482 schools
•terminated its accreditation for 69 schools
•initially accredited 641 schools, deferred 157, and denied 70 accreditation

Figure I.11 Continued:

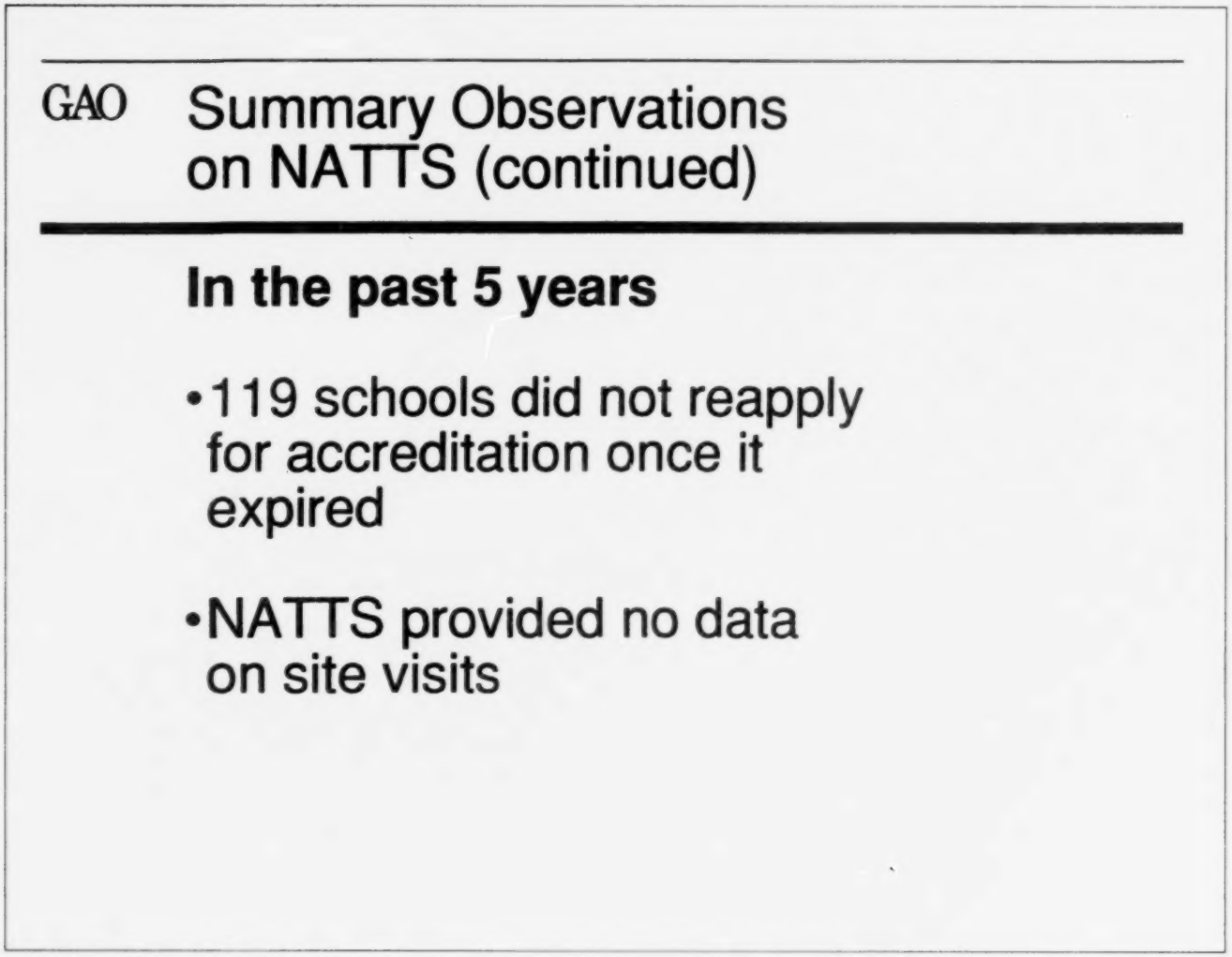

GAO
Summary Observations on NATTS (continued)
In the past 5 years
•119 schools did not reapply for accreditation once it expired
•NATTS provided no data on site visits

Figure I.12:

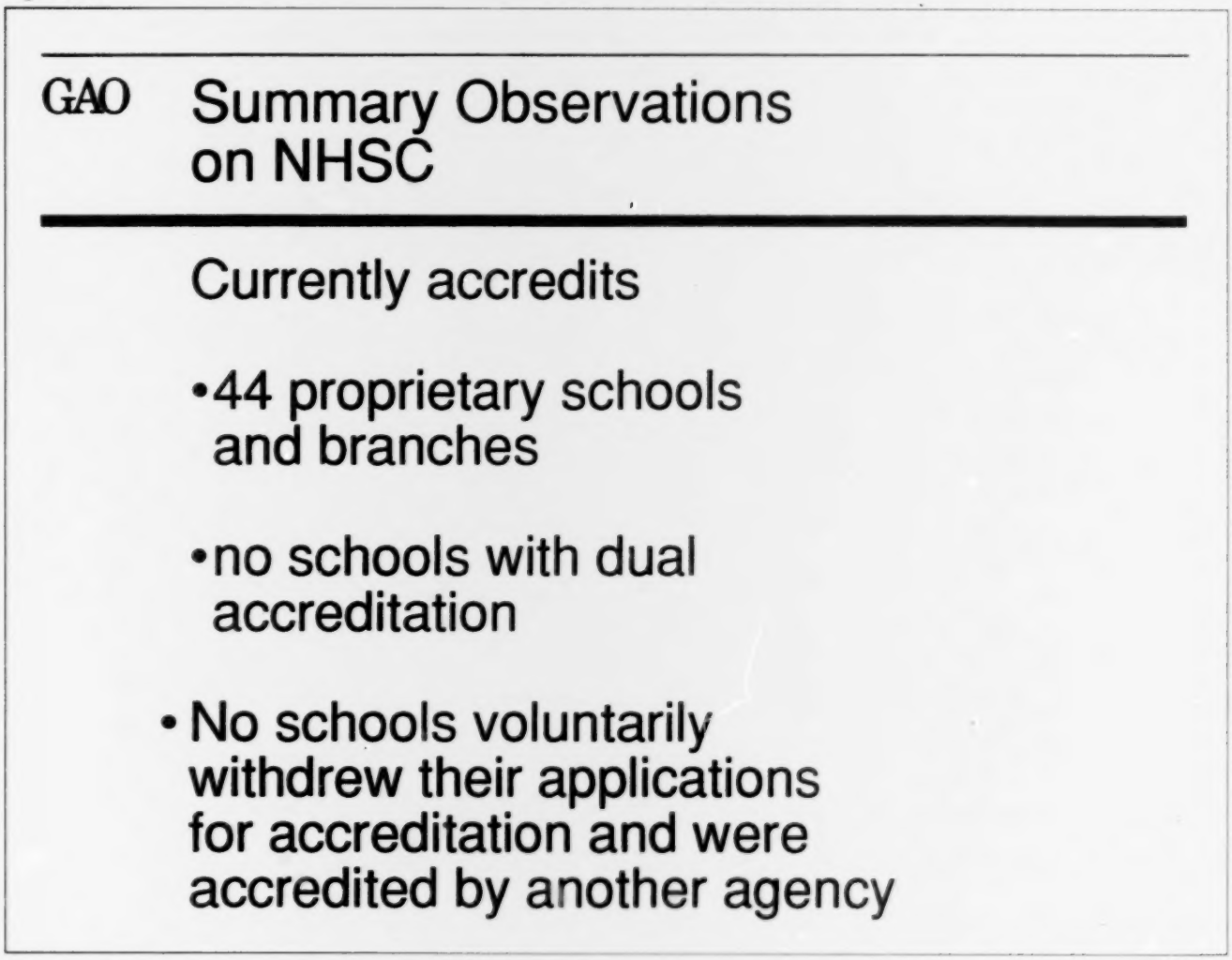

GAO
Summary Observations on NHSC
Currently accredits
•44 proprietary schools and branches
•no schools with dual accreditation
• No schools voluntarily withdrew their applications for accreditation and were accredited by another agency

Figure I.12 Continued:

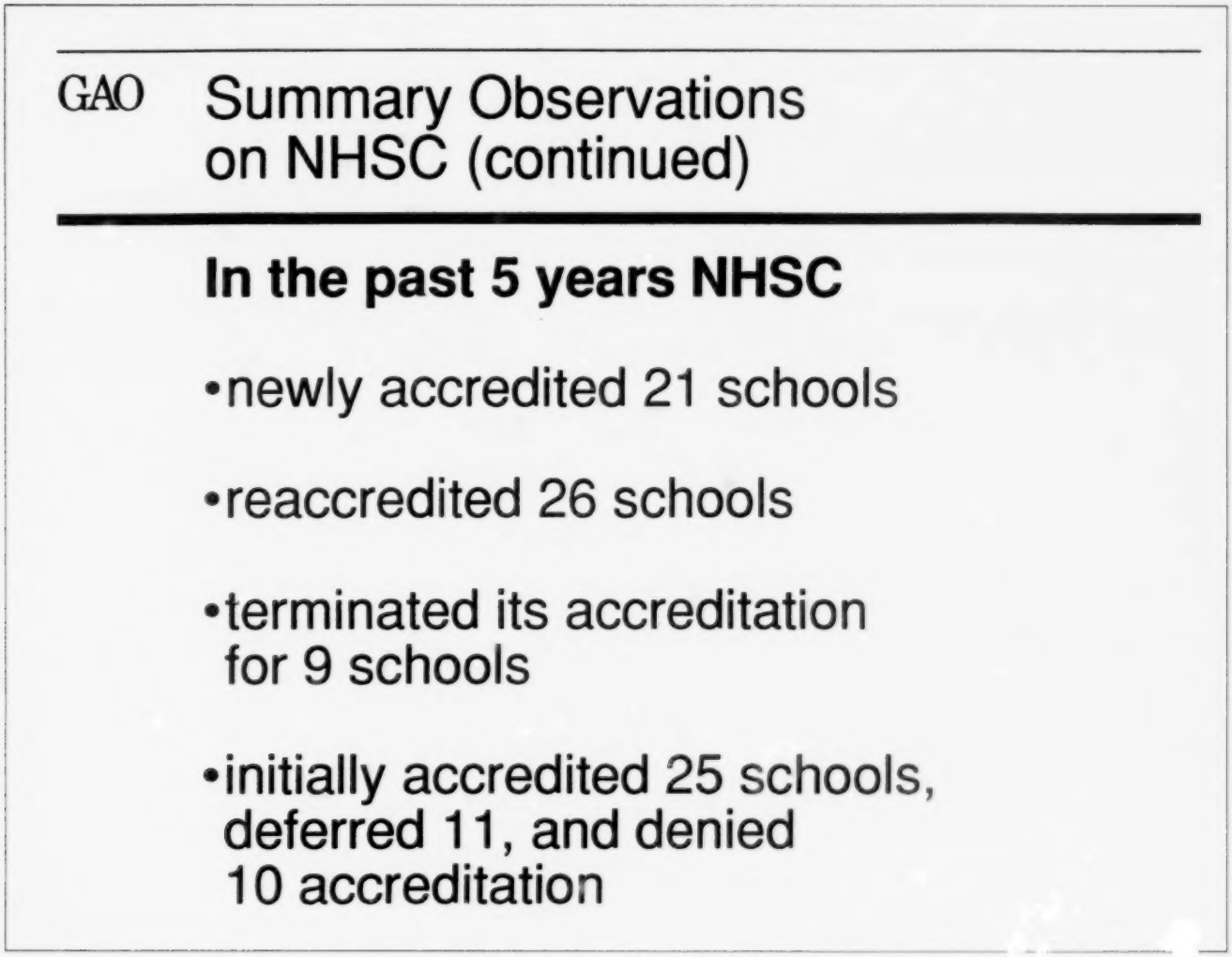

GAO
Summary Observations on NHSC (continued)
In the past 5 years NHSC
•newly accredited 21 schools
•reaccredited 26 schools
•terminated its accreditation for 9 schools
•initially accredited 25 schools, deferred 11, and denied 10 accreditation

Figure I.12 Continued:

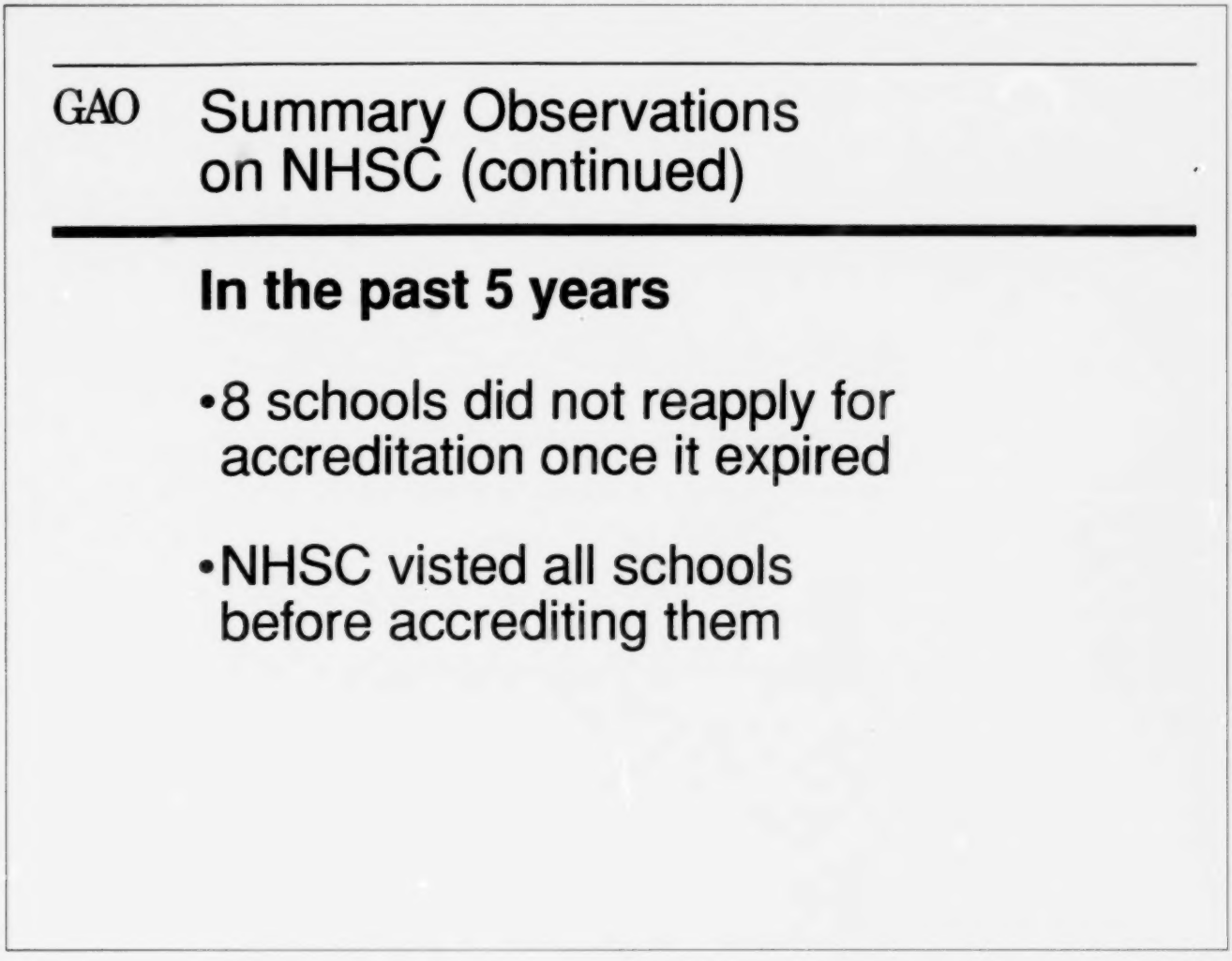

GAO
Summary Observations on NHSC (continued)
In the past 5 years
•8 schools did not reapply for accreditation once it expired
•NHSC visted all schools before accrediting them

Figure I.13:

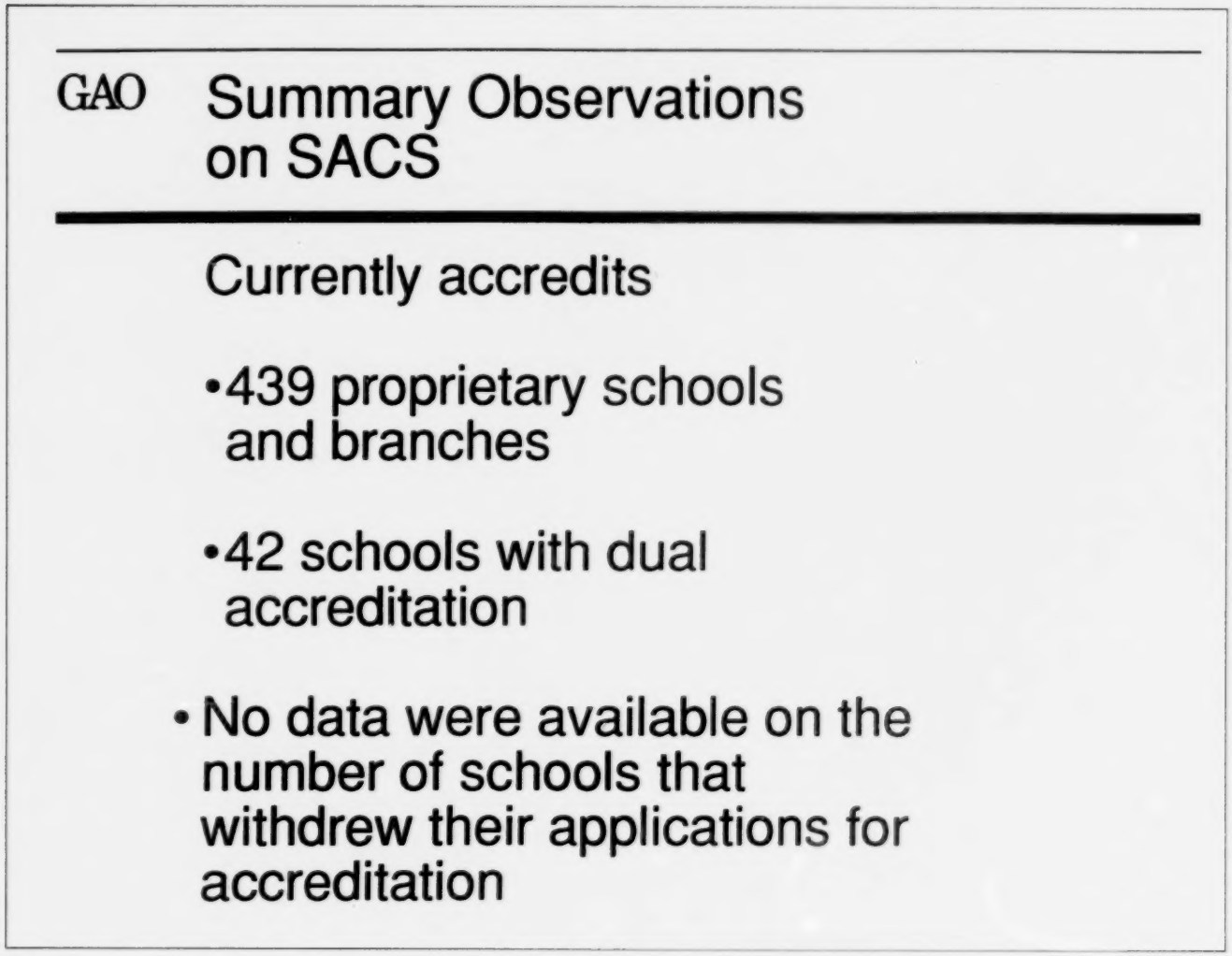

GAO
Summary Observations on SACS
Currently accredits
•439 proprietary schools and branches
•42 schools with dual accreditation
• No data were available on the number of schools that withdrew their applications for accreditation

Figure I.13 Continued:

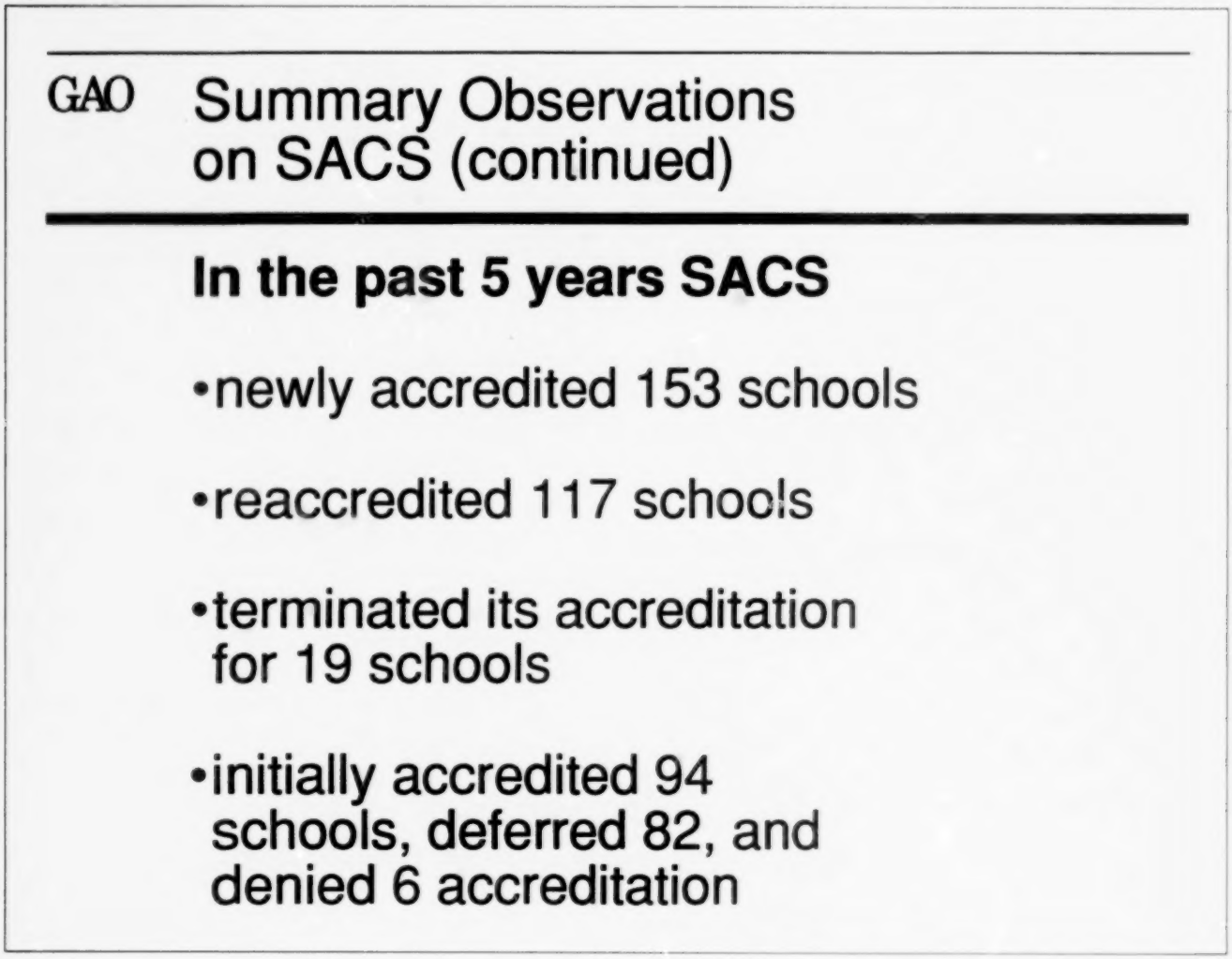
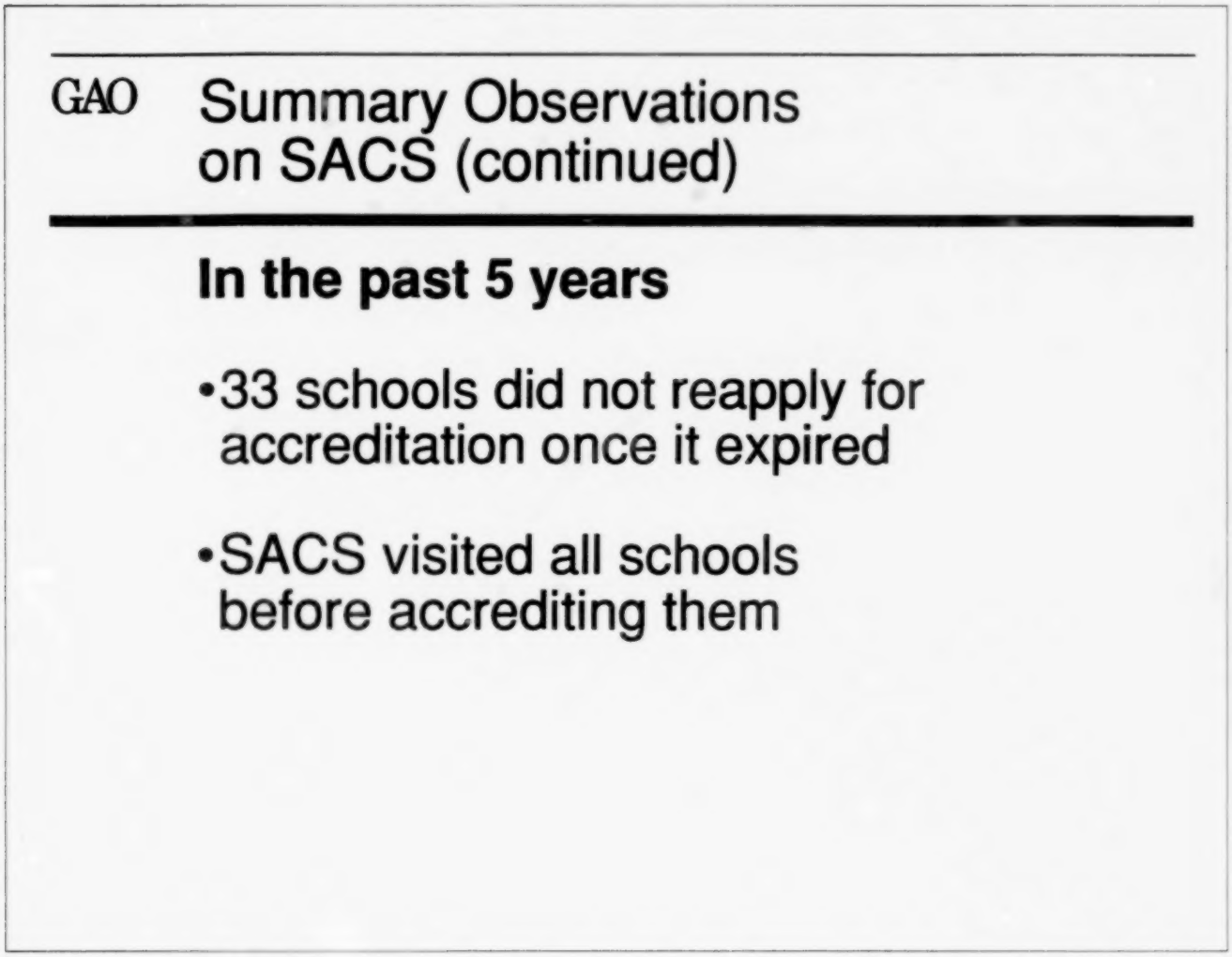

GAO
Summary Observations on SACS (continued)
In the past 5 years SACS
•newly accredited 153 schools
•reaccredited 117 schools
•terminated its accreditation for 19 schools
•initially accredited 94 schools, deferred 82, and denied 6 accreditation

Figure I.13 Continued:


GAO
Summary Observations on SACS (continued)
In the past 5 years
•33 schools did not reapply for accreditation once it expired
•SACS visited all schools before accrediting them

Major Contributors to This Briefing Report

Human Resources Division, Washington, D.C.	Joseph J. Eglin, Assistant Director, (202) 401-8623 Christopher C. Crissman, Assignment Manager Karen A. Whiten, Evaluator-in-Charge Veronica Scott, Evaluator Jennifer Grover, Evaluator
Atlanta Regional Office	John Crawford, Evaluator

Related GAO Products

Supplemental Student Loans: Legislative Changes Have Sharply Reduced Loan Volume (GAO/HRD-90-149FS, Aug. 3, 1990)

Financial Problems in the Stafford Student Loan Program (GAO/T-HRD-90-52, July 27, 1990)

GAO Views on the Stafford Student Loan Program (GAO/T-HRD-90-13, Feb. 20, 1990)

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